

The NATIONAL UNDERWRITER



FIRE-MARINE-CASUALTY-SURETY
Loyalty Group
 INSURANCE

Firemen's Insurance Company of Newark, N. J.
 Organized 1853

The Girard Fire & Marine Insurance Company
 Organized 1833

National-Ben Franklin Fire Insurance Company
 Organized 1866

The Concordia Fire Insurance Co. of Milwaukee
 Organized 1870

Milwaukee Mechanics' Insurance Company
 Organized 1833

Royal Plate Glass & General Ins. Co. of Canada
 Organized 1906

The Metropolitan Casualty Insurance Co. of N.Y.
 Organized 1874

Commercial Casualty Insurance Company
 Organized 1909

Pittsburgh Underwriters - Keystone Underwriters

HOME OFFICE • 10 PARK PLACE • NEWARK 1, NEW JERSEY

Western Department
 120 So. LaSalle St.
 Chicago 3, Illinois

Foreign Department
 111 John St.
 New York 7, New York

Canadian Departments
 535 Homer St., Vancouver, B. C.
 465 Bay St., Toronto, Ontario

Southwestern Dept.
 912 Commerce St.
 Dallas 2, Texas

Pacific Department
 220 Bush St.
 San Francisco 4, Calif.

THURSDAY, JULY 31, 1947

KEEP 'EM OUT FROM BEHIND THE

FLOATING 8-BALL!



Skippers can correct their navigation charts to keep safely away from *known* obstacles—to steer clear of such dangers as shallow banks, reefs, sunken hulls and the like.

But there's one big obstruction they cannot chart, however, for *they never know where it may lurk* . . . It's a veritable "Floating 8-Ball"—the omnipresent danger of fire, theft, shipwreck, storm, collision; of injury to persons or damage to property through operation of their pleasure craft.

But you can protect them from loss—you can keep 'em out from

"behind the 8-Ball" with Marine Insurance coverage through the Marine Office of America!

Yes, by simply contacting the owners of pleasure craft in your community, you can procure for them protection against the hazards of the waterways—and gain extra premiums. All you need do is prepare a brief application form on the risk to be covered—the Marine Office does the rest.

The Marine Office backs you up with nearly 30 years of specialized experience—with prompt, dependable handling. Get the marine business in your community—write us for application forms today!



MARINE OFFICE of AMERICA

Home Office: 116 John Street, New York 7, N. Y.

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22 North San Joaquin Street
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530 West Sixth Street
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Colman Building
Seattle 4, Washington

ALL CLASSES OF OCEAN AND INLAND MARINE INSURANCE

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More Companies Study Plans for Added Financing

Large Insurers Lean to Stock Issues; Smaller to Cumulative Preferred

NEW YORK—Half a dozen companies that write more than \$10 million or more in premiums a year are seriously considering additions to capital, or to capital and surplus, and several of them have taken the preliminary steps to accomplish such financing, according to Shelby C. Davis of Shelby Cullo Davis & Co., member New York stock exchange and specialists in insurance stocks and financing. In addition 15 or 20 smaller companies are studying the acquisition of additional money.

The sharp rise in the price of coal undoubtedly will influence the management of insurance companies that have been debating whether to enter negotiations for increased operating money. The hike in coal prices that is coming out of the new John L. Lewis contract is impelling another round of rises throughout industry—and will lead to a general markup in the dollar price of most goods and services. This means another round of increases in insurance amounts; more premiums, and another call on the insurers' money for unearned premium reserves.

Merits of Two Plans

The relative merits of acquiring more capital by issuing additional common stock or by selling an issue of preferred cumulative stock have figured in the deliberations of insurers.

Preferred stock, if it is cumulative, places an inescapable annual burden of interest earnings on the insurer. For example, Aetna Fire raised \$10 million through issue of 250,000 shares of common stock at \$40 a share. If it had raised the same amount by preferred cumulative stock, it would have had to place 100,000 shares of \$100 par at 3½ to 4%. This would cost the company \$350,000 to \$400,000 a year. A large and well managed company could do this, but suppose it continued to have an underwriting loss for a year, two years or three. If, to begin with, it were a smaller company without substantial reserves, a large dividend assumption could prove a real burden and even bring the company to distress.

If a company were to pass payment of the cumulative preferred dividend for two or three years, as has happened in the industrial field, the dividend charge would pile up and might lead to a demand for recapitalization. The company would find its plight discussed on the financial pages of newspapers. Insurance companies are particularly vulnerable to this kind of publicity.

Can Pass Dividend

With common stock, if the company is unable to pay a dividend, or unable to do so comfortably, it can pass it. It doesn't by so doing accumulate indebtedness that must be paid off next year.

There were recently a total of 27 securities listed on the New York Stock Exchange that were of the non-cumulative preferred kind, but 16 of them were railroads, of which most were issued in reorganizations. The non-cumulative preferred is harder to market. It takes more time to do so. Trust and life in-

Truman Signs Moratorium Bill

President Truman has now signed the McCarran-Wiley bill extending the moratorium under public law 15 from Jan. 1, 1948, to July 1, 1948.

Costly Atlanta Fires

ATLANTA — Two unusual flash fires caused \$140,000 damage here. The first was at the Crane Heating Co. in the rear of the Colonial hotel. The structure, containing 11,500 square feet, with the building and contents, was a total loss with damage of \$100,000, according to A. H. Crane, executive vice-president and general manager. The second fire was the Ponce de Leon Grill with damage to building and contents figured at \$40,000.

insurance companies that are interested in big issues doubt if they would be interested in non-cumulative preferred for a fire or casualty company.

There is this advantage to the preferred cumulative method of financing: There is no dilution of the common stock. Also, the balance of ownership and control is not altered.

The advantage of issuing additional common stock is that the preferred is then saved for a real emergency. As a matter of fact, preferred is looked on in the money markets as an emergency type of financing for banks or insurance companies. Banks after the early depression holiday did this. If they had already issued it, little or no market for it would have remained.

Own Several Insurance Stocks

It should be said also for the preferred stock method, however, that many insurance company stockholders own stock in several insurers. If three or four insurers in which they hold stock come out for more capital, this type of stockholder isn't likely to be able to go along.

On the other hand the old stockholders would like first chance at the rights to a new issue.

On preferred, if it were sold to a life insurance company, say, it could be retired as underwriting experience becomes profitable. An addition to common stock is a permanent widening of the ownership base.

The preferred plan has a good deal of appeal to a conservative, well run company. The danger, from the viewpoint of supervisory officials, is that in the future the management that isn't conservative could pay a common stock dividend and fail to retire the preferred debt.

The smaller company might have more difficulty in selling common stock than in getting money by the preferred stock route. Also, in these transactions, the insurer engages an underwriter to stand by and take up common stock not subscribed by stockholders and this costs money. A company the size and character of Aetna Fire has to pay a cost of around 2% for new money; a small company might have to pay 4 or 5%.

Insurance stocks followed the market down, but have not recovered their position of last year, although stocks generally have risen a good deal. Six months' statements showing continued underwriting losses plus continued high losses in the fire and casualty fields are responsible for the market lethargy of insurance company stocks, but not altogether. Part of it is due to the belief of many who invest in such stocks that there will be new financing and that some of the rights to the new stock will be exercised by present stockholders. These rights give the purchaser an advantage. Some holders of insurance stocks, such as estates and trusts, do not have the authority to exercise those rights and have to sell them.

Aetna Issue Taken Almost 100% by Stockholders

HARTFORD—The \$10 million stock and surplus subscription of Aetna Fire was practically 100% subscribed by the stockholders. At the expiration time only 8,865 of the 250,000 shares offered were unsubscribed, and those were taken by the underwriting syndicate. The consolidated income statement shows total net premiums written amounted to \$79,040,000 in 1946 and \$32,094,000 for the four months ended April 30, 1947.

Swiss Reinsurance Shows Worldwide 1946 Results

The head office statement of Swiss Reinsurance has now reached this country showing assets at Frs. 983,674,214. The premium income rose from Frs. 301,275,470 to Frs. 363,418,201. The increase was particularly large in fire insurance and in third party liability insurance due to the expansion in motor traffic. The technical result was, in aggregate, the management states, less satisfying than in preceding years.

The profit in fire insurance was modest. Large losses, especially in Switzerland, and the continued heavy burden of claims in the U. S., were the main factors contributing to the somewhat disappointing experience. Hail insurance, in the absence of heavy storms, once more showed a profit and marine results were again very gratifying although there are signs of a less favorable trend. There was a surplus in the accident account. Third party liability insurance closed with a considerable loss for which automobile business was responsible. Premiums could not, in general, be sufficiently adjusted to meet the increase in compensation awards due to rising prices.

In sickness insurance the experience was satisfactory. Burglary and theft still produced an unfavorable result owing to the after effects of the war in many territories. Plate glass and machinery insurance showed losses. Surety and fidelity guarantee yielded satisfactory profits.

Still in Collision Field

THE NATIONAL UNDERWRITER INCORRECTLY reported in the July 24 issue that American Casualty and American Aviation & General have discontinued writing automobile collision insurance entirely.

The companies have not withdrawn from the collision field, and have no intention of so doing, THE NATIONAL UNDERWRITER is informed. They are being careful in underwriting, as are many other companies today, and in some territories managers have discontinued accepting auto business on their own initiative as a result of unfavorable experience, but the companies are still very much in the field.

Interest in Adjusters' Meet

SAN FRANCISCO—About 70 independent adjusters have signed up to attend the first annual convention and organization meeting of the California Assn. of Independent Insurance Adjusters here Aug. 4.

The business session will be devoted to adoption of constitution and by-laws, election of officers and a discussion on legislation affecting independent adjusters. A series of bills involving them in the 1947 California legislature was one of the principal factors in the decision to form the association.

There will be no speeches at the banquet. Claim executives and managers of companies are invited to attend. Earle Wright is general convention chairman.

I.U.B. Revises Several Forms, Issues New Ones

Issues Market Value, Selling Price Forms for Reporting Contracts

NEW YORK—The Interstate Underwriters Board has modified four of its forms and is issuing two forms which are new. The forms changed are 16, the multiple location non-reporting average rate class floater; form 5, the multiple location non-reporting average rate form which has a minimum premium of \$300; form 1, on multiple locations with premium adjustment at average rate and a \$500 minimum deposit premium; and form 10, which has a premium adjustment at specific rate at each location and a minimum premium of \$100. The forms are being printed now and should reach agents in two weeks.

The new forms are Nos. 11 and 19.

Form 11 is a manufacturers selling price clause. It stipulates that the value of the finished goods manufactured by the insured will be the factory price, plus freight and handling charges if any, less all discounts and unincurred expenses and any mark up for wholesale distribution and retail sales, for which the goods could have been sold if no loss had occurred. It gives the manufacturer his profit less the costs not incurred in case of loss.

Form 19 insures the market value of goods, other than distilled spirits and wines, which are bought and sold at an established market exchange where the market prices are posted and quoted. The value of the stock is considered to be the market price at the time and place of loss, less all discounts and charges to which the stock would have been subject if the loss had not occurred. Formerly there was only a market value clause for distilled spirits and wines.

Insured and brokers have been asking for both these coverages on reporting forms. They have been offered before but only with specific insurance.

Other Forms Modified

The two important changes in the other forms are modifications which clarify the intent of the earlier forms. The full reporting clause is re-worded to clearly state that the last reported value applies to the value of the merchandise which was reported prior to the loss. It specifies that the value is that "on the date for which the report is made." It remedies a situation wherein an insured could refile a report and claim a greater loss than that for which he paid premiums. The matter was brought to a head in Pennsylvania where the supreme court, in the case of Sack vs. Glens Falls, decided that the insured was covered and directed that the loss be paid. Liability under the new form does not exceed that proportion of any loss, which the last reported value bears to the actual value, less the amount of specific insurance on the date for which the report was made.

The second change applicable to all the revised forms covers machinery, which the earlier form did not, as well as furniture and fixtures. It excludes machinery while located on the premises of any manufacturing plant owned or controlled by the insured.

Indict Chicago Broker on Policy Forgery Charge

"Insurers" Seek Injunction Against Litigation by "Assured"

Joseph P. O'Malley, Chicago independent broker, has reportedly been named in two true bills voted by the grand jury at Chicago in connection with charges that he sold forged fire insurance policies to the tune of almost \$2 million.

It is reported the grand jury charged that he collected \$1,123 in premiums on two of the forged policies, but Clement Cody, assistant state's attorney, has stated that he has evidence that O'Malley collected \$12,000 on 15 other policies, all forged, mostly on factory buildings for five year term. The policies have about 18 months to run.

Mr. Cody charges that O'Malley stole blank policy forms while renting office space as an independent broker with George Herrmann & Co., class 1 agency in the Insurance Exchange building. He is then charged with forging the names of several officers of Herrmann & Co. to the forms and selling them to clients.

The insurance companies involved have filed an injunction action with the federal court at Chicago asking a temporary restraining action or injunction against claims or suit under the policies in question. They also ask return of the policies.

"Insurers" Ask Injunction

Samuel Levin is attorney for the "insurers," representing American Central, Caledonian, Detroit F. & M., Reliance and Westchester. Defendants, all Chicago firms, are: Gulbransen Piano Co., Standard Piano Hammer Co., Illinois Felt Co., Joanna-Western Mills Co. and Western Shade Cloth Co.

The action charges policies were issued illegally by O'Malley as follows: Joanna-Western Mills and Western Shade Cloth, \$400,000 with American Central, \$250,000 with Caledonian, \$250,000 with Detroit F. & M., and \$400,000 with Reliance.

Gulbransen Piano \$60,000 with American Central, \$50,000 with Detroit F. & M., and two policies with Westchester totaling \$75,000. Standard Piano Hammer has \$45,000 with Detroit F. & M.

Illinois Felt, \$25,000 with American Central, \$50,000 with Detroit F. & M., \$55,000 with Reliance, and \$25,000 with Westchester. According to the bill Illinois Felt has returned its policies.

There is a fire loss under policies issued to Gulbransen Piano.

John A. Russell, attorney for Gulbransen Piano, has declared that he will file an answer to Mr. Levin's action by Aug. 13. The Gulbransen Co. also will file for fire damages under the policies, and for return premium after notification of the alleged forgery.

Western Shade Cloth and Joanne-Western Mills also will file an answer to Mr. Levin's suit by Aug. 13. Whether they will ask return premiums has not yet been decided.

So far as is known this is the first case of its kind. From time to time, of course, there have been agents or other company representatives that have issued policies without reporting the transaction to the insurer and pocketing the entire premium, the most notable base being the big line on the Tacoma Narrows Bridge which an agent, with authority to sign the policy, had issued by himself. But this is believed to be the first time that a case involving a broker has come to light.

Texans Rebel at Commission Cut

Hal Gullede, first vice-president of Dallas Insurance Agents Assn., has issued a statement criticizing the companies for reducing agents commissions on windstorm and extended coverage in Texas 25% to 20%. He contends it is fundamental that agents commissions and loss ratios are just as separate and distinct as loss ratios and salaries of company personnel. He contends that this is a matter of interest to agents nation-wide because if acquisition expense is confused with underwriting experience, agents commissions will be constantly fluctuating "and always downward."

The insurance companies in announcing to Texas agents the increase in commissions for windstorm and extended coverage, are emphasizing the sorry underwriting experience in that state on these lines. However, such a reduction in commission has been advocated for some time in management circles. In the old days when windstorm insurance was in the promotional stage and the companies were stimulating the agents to sell it, a higher commission rate was offered on this line than for fire. This was done deliberately for promotional purposes.

Situation in Middle West

In the middlewest and in Texas this difference has continued throughout the years even though now extended coverage has become what might be termed standard equipment. In the middlewest where the commissions on fire insurance are 15%, 20% and 25% graded, the extended coverage commission is 25% in ordinary territory. This difference is something of which company management has been conscious for a long time and which a good many executives have desired to see done away with. In E.U.A. and S.E.U.A. territory the rates of commission are identical for fire, wind and E.C.

Chicago Board Agency Rule Passed at Mid-Year Meeting

The amendment to increase the agency limitation rule of the Chicago Board from four to five was passed by a vote of 44 to 1 at a meeting last week. Final action must await mail ballots from members not on hand, but passage is assured.

The action, brought about by company mergers in the America Fore and North America groups, now allows each company to be represented in Cook County by five agents.

DALLAS RERATING TEAMS



Pictured are the 15 two-man teams—each consisting of an agent and company man—which have just completed inspection and checking of rates on Dallas public schools. All Dallas schools, city and park properties and public hospitals are covered under a single master policy placed with the Dallas Insurance Placement Board, a unit of the Dallas Assn. of Insurance Agents. The teams are now rerating the

Georgia Golden Anniversary Plans Completed

The program has been completed for the 50th annual meeting of the Georgia Assn. of Insurance Agents Aug. 7-9 at the General Oglethorpe Hotel, Savannah.

Registration starts Aug. 6 and that afternoon the executive committee will meet. The Georgia Assn. of General Agents will be host at a barbecue in the evening.

Speakers at the first general session include W. W. Sampson, manager Southeastern Underwriters Assn., who will discuss fire rating laws; O. Shaw Johnson, Clarksdale, Miss., executive committeeman of the National Assn.; and Isaac H. Chappell, president of Georgia association. Henry L. Young will lead a forum on the 3-D policy.

John N. Cosgrove, director of public relations of American group, will lead off the second day on "Better Cooperation in the Insurance Industry." Another speaker is Cecil R. Durden, southern secretary National Automobile Underwriters Assn., on "Automobile Insurance Situation." Commissioner Cravey will speak on the department and S. G. Ostot, executive secretary of North Carolina Assn. of Insurance Agents, will discuss the "Value of Well Organized Agents' Associations." The afternoon will be given over to sports and entertainment.

Election of new officers will be Saturday when committee reports also will be heard.

The luncheon Aug. 7 will be given by Southern Fire & Marine. There will be a river excursion that evening on the "Robert E. Lee" with picnic supper aboard. This will be offered by Georgia Inspection & Rating Bureau. There will be a golf tournament the afternoon of Aug. 8. Marvin Davis of Savannah is chairman. There will be a cocktail party in the evening through the courtesy of Savannah Assn. of Insurance Agents. The convention banquet will follow. There will be a water carnival at 9:30 p. m.

Davis Joins Arson Division

Wilton H. Davis has been named special agent in Michigan for the arson division of the National Board.

Mr. Davis will work out of Dearborn. He is a graduate of West Virginia University with a law degree and has been with the Federal Bureau of Investigation, where he received training in criminal investigation.

Whisky Warehouse Insurance Problem Defies Solution

NEW YORK—Underwriters, brokers, whisky distillers, the National Board, and the manufacturers of carbon dioxide fire fighting equipment have reached a temporary impasse in attempting to solve the problem of increasing the amounts of insurance that companies will write on whisky warehouses.

Insurers are unable to say what kind of premium credit they will offer whisky warehouse owners if the carbon dioxide equipment is installed. Their reasoning is that they have not had enough experience with it, especially in such large structures as whisky warehouses. They want to see the equipment proven and do not want to speculate in a big way on its value until they do.

Brokers are striving for higher limits on whisky warehouses and support any accepted method of fire fighting or prevention that assists them in placing more business.

Whisky Distillers Thirsty

Whisky distillers are thirsty for higher limits for their warehouse stocks. Though they want more insurance they are unwilling to install the relatively expensive carbon dioxide equipment if they are not assured of increased insurance and savings when they do install it. The National Board also has an "I'm from Missouri" attitude and wants to see the equipment fully and completely tested.

Manufacturers of the carbon dioxide equipment point out the excellent experience record of their product while used by the navy during the war and the success it has had in fur vault protection and in various demonstrations conducted thus far.

Expensive installation and testing costs, however, so far have prevented any demonstration which was satisfactory to insurance underwriters and engineers.

Smothers Fire

Briefly the carbon dioxide system is a series of jets, spaced throughout the warehouse, which upon rise of heat or smoke, inject a gaseous stream of carbon dioxide into the building. This cuts off the oxygen and smothers the fire. There is also a waiting period provided to allow personnel to escape from the building before the jets start. Otherwise they would be asphyxiated.

Apparently the various committees working on the problem are checked. No one seems to know what the next move will be.

U.S.A.I.G. New Rate Chart Now in Agents' Mail

U. S. Aviation group has mailed to agents its new rate chart, showing general overall increases for ground and in flight coverage, as well as bodily injury, property damage, and passenger liability.

U. S. is now underwriting on a value basis instead of the old distinction of light and heavy aircraft. The new chart and rates were developed by R. S. Brockway of the western department office at Chicago.

The new rates are listed on a slide rule chart developed by U.S.A.I.G. in 1941. It enables the agent quickly to indicate a rate on any given hull risk, based on information asked for in the application.

Deductibles have been changed and instead of separate ground and crash, a single policy deduction now applies to all coverages except fire, theft, and transportation. They amount to 10%, 5% and 2½% of insured value with minimums respectively of \$100, \$75, and \$50. The chart also contains rate indications for bodily injury, property damage, passenger liability, and medical payments.

Meserole Promotes Johnson, Smith

Harold J. Johnson, manager of the Pacific Coast department of Meserole group, has been elected a vice-president. Mr. Johnson has been with the group since 1926 and was appointed Pacific Coast manager in 1940 to succeed the late Dixwell Davenport.

Romeyn W. Smith was appointed secretary. He joined the companies in 1946 as investment officer.

Herbert A. Kopke was appointed assistant secretary. He is in charge of personnel and has been with the organization since 1919.

Adrian M. Massie, vice-president of New York Trust Company, and a director of Pacific Fire, has been elected to the board of Bankers & Shippers.

John C. Traphagen, president of the Bank of New York, was elected director of Pacific Fire. He is already on the board of Bankers & Shippers and of Jersey.

Byrne to Supervisory Post for American Group

J. Walter Byrne, special agent at Indianapolis for American group, has been appointed field supervisor for the fire companies in charge of several states reporting to the home office. His appointment is effective Sept. 1.

Mr. Byrne is a graduate of University of Illinois and started in the local agency business at South Bend, Ind. He spent five years with Michigan Inspection Bureau, Arkansas Fire Prevention Bureau and Indiana Inspection Bureau, joining American as a field man in northern Indiana.

New Kansas Auto Rates

A supplement to the Kansas automobile manual effective July 31 has been issued by Kansas Inspection Bureau which incorporates a number of rule changes, rating information for most of the 1947 model passenger cars, and important changes in private passenger car rates especially on old automobiles for actual value fire, theft and comprehensive as well as collision.

Comprehensive rates on some of the older age groups were increased as much as 66 2/3% but in most territories there was no change on new cars. Collision premiums were radically increased on all models and ages and for all forms of coverage with the exception of \$50 and \$100 deductible forms on new cars which remain practically unchanged. The \$7 minimum premium for fire, theft and miscellaneous coverages adopted in December, 1946, is unchanged. Minimum for comprehensive excluding collision has been increased from \$6 to \$10.

Study Va. Law Changes

RICHMOND — A special committee of the Virginia advisory legislative council making a study of Virginia insurance laws to determine what changes may be needed to comply with PL 15 and the S.E.U.A. decision, was in session in Richmond last week and plans to meet again in the early fall. The committee is headed by Edmund T. DeJarnette, a past president of the Virginia Assn. of Insurance Agents. Some classes of insurance already are so well regulated in Virginia that the committee doubts that any changes will have to be made in the laws but there are other classes where some changes undoubtedly will have to be made at the legislative session convening in January, 1948.

Portland, Ore., Agents Meet

The Portland (Ore.) Assn. of Insurance Agents will hold its annual meeting Aug. 12 at the Multnomah hotel. Reports of officers and committees and election of a new board of trustees are scheduled.

The nominating committee has submitted a recommended slate of trustees

to include C. Don Grew of Charles W. Sexton and R. W. Schmeer, both recommended for reelection, and two new members, Marshal R. Brown of Cole, Clark & Cunningham and Harold B. Larson.

The annual picnic drew a large crowd. Practically all agencies closed for the afternoon. The picnic was resumed this year after suspension in the war years. General chairman was Fred Fisher of Pallet, Sturm & Co.

Howlett So. Cal. Manager

A. D. Howlett of Los Angeles, casualty and inland marine manager in southern California for the General of Seattle group, has been advanced to manager of the southern California department. Chase Garfield will continue as resident vice-president in charge of California operations.

Provide U. S. Reinsurance

WASHINGTON — Congress completed action on and sent to the White House a compromise federal crop insurance bill. Among other things the measure authorizes an experimental reinsurance program, under which commercial companies insuring crops may reinsure in FCIC, but in a total of 20 counties only.

Shades of Texas City

The daily newspapers carry the report of the explosion at Brest, France, of a Norwegian liberty ship said to be loaded with 3,000 tons of ammonium nitrate. To prevent a recurrence of the Texas City disaster, the reports say the boat was towed out to what was considered a safe distance in the roadstead, before it exploded. It had caught fire as it lay at a dock in the middle of the city. The explosion leveled many flimsy structures in the harbor area and killed a reported 20 persons with 250 injured. The newspapers say that the city's gas plant and oil depot burned, one of the principal hospitals was reported heavily damaged and much of the business district was gutted by flames as a result of the explosion.

A Terminal Shipping Co. spokesman at Baltimore, Md., was quoted as saying the vessel left there with 3,000 tons of ammonium nitrate aboard and that the company in its loading operations took extraordinary precautions because of the Texas City disaster.

Hundreds of residents had fled Brest before the explosion because of fear of a Texas City recurrence, and this may have saved many lives. The explosion cut electricity cables in Brest and the only communication to the town was through a navy network.

Sevick Resigns Chicago Post with Pearl

J. J. Sevick, who has acted as Cook county manager for Pearl-American from 1939, until March 1 of this year, when the Cook county office was moved to New York, has resigned as of Aug. 1. Mr. Sevick's future plans have not been announced.

Union League Gathering

At the luncheon of the insurance membership group of the Union League Club in Chicago Wednesday the chief address was made by Werner W. Schroeder, Republican national committeeman from Illinois. P. C. Rathje, recently elected president of the Union League Club, was present. He is president of the Chicago City Bank & Trust Co. Commissioner McKenzie of Arkansas was the guest of A. N. Guertin, actuary of American Life Convention. Frank Speakman, consulting actuary of Philadelphia, who is actuary of the Arkansas department, was also his guest. Another was R. G. Stagg, vice-president and actuary of Northwestern National Life. W. R. Arrington, vice-president and general counsel of Combined Mutual Casualty of Chicago, who is a member of Illinois legislature, also attended.

How A COMPANY HELPS ITS AGENTS — THROUGH CONFERENCES



ENTRANCE TO HOME OFFICE

BUILDING • LEROY, OHIO

An outstanding feature of the year with Ohio Farmers agents is the Company's annual meeting held each February at the Home Office. For more than 50 years this meeting has been attended by many of the Company's agents, fields throughout the entire country being liberally represented. At its 99th annual meeting on February 10 to 12 of this year the Company was host to more than 300 agents. They attended first the School of Insurance presented jointly by the Company and the agents themselves, then the annual meeting and the program of addresses and entertainment incident to it.



Ohio Farmers Companies

OHIO FARMERS INSURANCE COMPANY

CHARTERED 1848

OHIO FARMERS INDEMNITY CO.

Leroy, Ohio



THE INSURANCE AGENT IS A GOOD MAN TO KNOW

PRENTISS REED SPEAKS UP

Answers Criticisms of Independent Adjuster

Prentiss B. Reed, prominent New York City independent adjuster, who is executive vice-president of National Assn. of Independent Insurance Adjusters, has issued a statement answering the criticisms of adjustment practices made by the committee of the Western Underwriters Assn. on this subject at the annual meeting. Mr. Reed particularly emphasized that, as long as the business of insurance is carried on by a large number of companies, associations and underwriters, there will be a need for the independent adjuster, and also that any faults found in independent adjusters can also be found in salaried company adjusters and adjusters employed by adjustment bureaus.

Independent adjusters, Mr. Reed asserts, were the pioneers in adjustment work, having originated when the size of the fire insurance business made the old system of adjustment by company officers and later by special agents outmoded. Not only that, Mr. Reed continued, but the independent adjusters pioneered in adjusting the multitude of losses under allied coverages, which developed with them. Independents led the way and the bureaus eventually followed by adding automobile, inland marine and casualty departments.

Answers Objections

Turning to specific charges against independent adjusters, Mr. Reed cited claims that losses had been overpaid to curry favor with agents and brokers and that independents have taken on more work than their offices can handle properly, in order to increase fees.

As to some independents, these charges are entirely true, Mr. Reed said,

and undoubtedly others will commit similar offenses in the future. The answer, he said, is to eliminate them from adjustment work and the insurance companies can do this by refusing to engage their services. Further, both these accusations could be fairly made against company and bureau adjusters.

Producers who control the placing of loss assignments often spread before company and bureau adjusters the same inducements they spread before independents. The company adjuster does not wish to lose the business of a producer for his company and the bureau adjuster does not wish to lose the business for his office. Likewise, companies and bureaus naturally seek to operate at the lowest possible cost and rarely employ enough adjusters to carry peak loads easily. Both company and bureau adjusters have sought a way out of periods of stress by making easy settlement in order to close losses more quickly.

Personnel Problems

During the past eight years the volume of loss work has increased materially Mr. Reed said, because of an increase in the actual number of fires and other disasters and also because of an unprecedented extension of insurance coverage and liberalization of forms. This demand has brought many new independent adjustment offices into being and has forced bureau and company offices to increase their staffs. Everyone has had the same personnel problems and unquestionably the quality of adjustment work now is below par. However, independent adjusters are no worse off than anyone else in this respect.

Many company and bureau employees have resigned and set up as independent adjusters in an attempt to better themselves. Some will develop and succeed, but many of the less able will find themselves high and dry when the present tide of abnormal losses runs down.

National Assn. of Independent Adjusters, Mr. Reed said, is trying to raise the standard of adjusters just as bar associations and medical associations have done for attorneys and physicians. The association has pledged to cooperate with the National Board and American Mutual Alliance and its officers are in constant contact with officials of those organizations.

"Squawks" on Cal. Exams

LOS ANGELES — Many "squawks" are reaching the California department regarding the severity of the new questions now being used for examination of applicants for licenses as agents, brokers and solicitors.

Of a recent class of 112 applicants taking the examination for licenses at Los Angeles just 14 passed. It is reported that in the first class given the examination at San Francisco, failures approached the maximum. In several other classes at Los Angeles, perhaps totaling less than the large one first mentioned, failures exceeded 90%.

Complaint has been made that the companies and general agents or managers had not been notified of the department's intention to put the more stringent examinations into use. The code sections relative to licensee examinations do not require such notification. However, the department has issued two circulars which set forth the details of the examination.

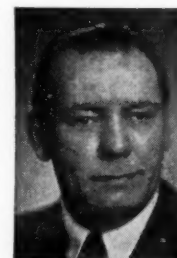
W. L. Kline, partner in the Kline Insurance Agency, Hutchinson, Kan., and Mrs. Kline are the parents of a son, N. N. Kline, senior member of the firm, is the grandfather. W. L. was with Travelers at Dallas before the war.

Chicago Board, Ill. Agents Have Joint Manager

W. W. Hamilton Occupies Dual Post—Maintain Separate Identities

Announcement is made by Russell L. Sprouse, president of Illinois Assn. of Insurance Agents that William W. Hamilton has been appointed as executive manager of the association effective Sept. 1. Mr. Hamilton is to continue as manager of the Chicago Board and the directors of that board have approved his joint appointment.

Mr. Sprouse emphasized that the two organizations will continue to operate under their separate identities. Mrs.



W. W. Hamilton



Lillian L. Herring

Lillian L. Herring, secretary and treasurer of the Illinois association, will continue in that capacity.

Mr. Hamilton has been associated with the Chicago Board for the past 18 years. Starting in the investigation department, he was made manager in 1944, having served as assistant manager for several years prior thereto. Mr. Hamilton is a native Kentuckian. He attended Emory University at Atlanta. Going to Chicago in 1928, he graduated at Chicago Kent College of Law in 1930, and was admitted to the Illinois bar the same year. He was awarded a scholarship and secured his masters degree in law in 1931.

The details of any new or enlarged activities will be announced at the annual meeting of the Illinois Agents at Springfield, Sept. 15-16.

Plan Memphis Picnic

The Memphis Insurance Exchange will hold a picnic Aug. 13, the first since the war. Walter Willis, Jr., is chairman and 250 are expected.

Long Distance Call Blasts Agent's Dream

Symptomatic of the desperation of agents these days in seeking underwriting facilities was the long distance call received this week by THE NATIONAL UNDERWRITER. This agent the previous evening had run across a passage in John Gunther's book, "Inside the U. S." in which the remarkable statement appears that the Rockefellers and Mellons were starting an insurance market in this country that would rival London Lloyds. He wanted to get the address of the Rockefeller-Mellon Ins. Co. so that he might favor them with a piece of business that the old-fashioned insurance companies were not taking advantage of. When advised that not even so much as an SEC filing had been made for such an institution he said he thought it was funny he hadn't heard about it anywhere else and that he guessed he would have to fall back on Old Ironsides.

This announcement appears for purposes of record. It is not an offer of securities for sale or a solicitation of an offer to buy securities.

250,000 Shares

Aetna Insurance Company

Capital Stock

(Par Value \$10 per Share)

These shares were offered by the Company at \$40 per share to holders of its outstanding capital stock and 241,135 shares were subscribed for upon exercise of warrants issued to such holders. The balance of 8,865 shares has been purchased by the undersigned and associated underwriters, severally.

Dillon, Read & Co. Inc.

W. C. Langley & Co.

Blyth & Co., Inc.

Union Securities Corporation

Glore, Forgan & Co.

Merrill Lynch, Pierce, Fenner & Beane

Paine, Webber, Jackson & Curtis

Dean Witter & Co.

Cooley & Company

July 23, 1947

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Seattle

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Wareing Advanced by Travelers

Robert Wareing has been appointed assistant secretary of Travelers Fire and Charter Oak to take over the duties of Joseph D. Leahy, who died last January. Mr. Wareing joined the companies in 1926 following a term as examiner in New York for Phoenix of London. He started as chief examiner of the eastern department and in 1928 became assistant secretary of that department. Earlier this year, Mr. Wareing was made assistant secretary of the two fire companies.

Seattle Board Golf Outing

The Board of Marine Underwriters held its annual golf tournament at Sand Point Golf Club. Dave Carey, Fireman's Fund, walked off with the perpetual trophy with a net 57. William Mallen, Jr., Union of Canton, turned in a 58 and won low gross in class B division. Stanley Dec, D. K. MacDonald & Co., had best low gross score, 74, and won first in class A. James Longmuir, Marine Office, had 65, low net for the low handicap division.

A cocktail hour followed the tournament. C. H. Preston, of A. B. Knowles & Co., president Seattle Board, presided at the banquet, and Robert W. Norquist, of D. K. MacDonald & Co., was toastmaster. J. C. Selz, Jr., Home, golf chairman, awarded the prizes. Web Anderson, B. R. Anderson & Co., handled entertainment arrangements.

G. A. B. Mountain Shifts

Arthur M. Nilsson, manager of General Adjustment Bureau, is taking a lengthy vacation due to ill-health. Harry E. Henderson, Jr., who has been with the bureau for seven years, recently as branch manager at Sheridan, Wyo., has taken charge of the Casper branch.

William R. Browne, staff adjuster at Casper, has been transferred to Thermopolis, Wyo., and his place in Casper has been taken by Arnold R. Owen.

E. F. Haralson has been appointed branch manager at Sheridan, having been transferred from Colorado Springs.

General Adjustment Bureau has opened a new office at Idaho Falls, Ida., with Milford S. Merrill in charge. He is a graduate of the University of Utah and before joining G.A.B. in 1941 practiced law in Twin Falls. He has been at Pocatello with General.

Plan Kansas Short Course

Kansas agents are being furnished programs and registration blanks for the fire and casualty short course Sept. 3-5 at the University of Kansas. The registration fee is \$7.50 and includes two banquets and professional entertainment. Outstanding speakers and discussion leaders have been secured. The university promises adequate housing in dormitories on the campus and meals at reasonable rates at the Student Union building.

CASUALTY SPECIAL AGENT

A very progressive Mid West casualty company needs a "live wire" special for Illinois to work out of Springfield or Decatur. A real opportunity.

FERGASON PERSONNEL

Insurance Personnel Exclusively

330 S. Wells

Chicago 6, Ill.

Time Limit on Jap Trade Waived for Insurance Men

Removal of trade bans will permit 400 business men from all countries to enter Japan each month. They will be permitted to remain for 21 days. W. F. Provost will represent American Foreign Insurance Assn. when it reenters Japan at that time. Special provisions have been made to permit representatives of insurance companies and banks to operate in Japan without regard to the 21-day limit. At present, it is believed that all trading will be in United States dollars because of the instability of Japanese currency. All trading will have to be cleared through the American occupation forces.

Forum on Ethics

The Brooklyn Insurance Brokers' Assn. will conduct a forum on a brokers code of ethics at its first meeting in September. The brokers will attempt to establish a code for members to follow in their dealings with clients and the insurers. Principal point of discussion will be the question of allegiance to company or policyholder. Alex Goldberger will be moderator. Home office men, brokers, agents, and insurance

school instructors will take part in the discussion.

Another item on the agenda is conclusion of a poll of members on costs of doing business, the results which will be used to show what the broker's minimum commission should be.

Firemen Save Beef

Efficient work by New York fire department and the ship's crew held the loss to a "negligible figure" when more than 500 tons of frozen beef were endangered during a fire on a Cunard line freighter. The beef was valued at \$500,000 and was consigned to the British food ministry.

The firemen managed to drain the water from the ship's hold and fight the fire at the same time. Insurance was carried with London Lloyds. The ship incurred minor damages.

\$400,000 Loss on 2 DC-4's

Aero Insurance Underwriters had \$400,000 coverage on two DC-4's which were destroyed in a fire at Rosecrans Field at St. Joseph, Mo. The fire destroyed the main hangar and a warehouse with total losses at the field estimated at about \$750,000. Western Adjustment is handling the loss.

Home Fleet Appoints Burton Dakota Manager

Burt Burton has been appointed manager for all operations of the Home fleet in North and South Dakota. Mr. Burton entered insurance with National Inspection Co. and later was with North America. In 1923 he joined Home as a special agent and in 1929 was promoted to state agent. His office is at Sioux Falls.

Kirks Buy Topeka Agency

The Stephenson & Webb agency, Topeka, has been purchased by Robert Kirk, who will manage the casualty department; Wyatt Kirk, who will manage the fire department, and Dean Kirk, who as district agent of General American Life, will head the life department. The Stephenson & Webb agency was established in 1896 and is one of the leading agencies in Topeka. The Kirks are nephews of W. R. Kirk, well known former company man and now a general agent in Kansas.

Passaic Election Sept. 11

The annual meeting of the Passaic County (N. J.) Assn. of Insurance Agents, will be held at Passaic Sept. 11.



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See if you know the answers. Knowing the answers may save you embarrassment—and a sale.

If you would like to test yourself, sample copies are available.

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WANT ADS

WANTED — SPECIAL AGENT
TO TRAVEL VIRGINIA
FOR STOCK INSURANCE GENERAL
AGENCY

Excellent opportunity for right man with knowledge of insurance conditions in Virginia. The position will consist of traveling and office management with splendid opportunity for advancement. Salary commensurate with experience. Reply held strictly confidential and should be addressed to M-61, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

Wanted experienced rate man by midwest Insurance Department. Write giving full details as to experience, etc. Good salary for right man. Address M-57, The National Underwriter, 175 West Jackson Boulevard, Chicago 4, Illinois.

Louisiana local insurance agency wants an office manager, familiar with both casualty and fire lines. Must be able to complete insurance surveys and handle all office details. Attractive salary and share of profits. Housing can be arranged. Replies strictly confidential. Address M-68, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

FIELD MAN WANTED
For Wisconsin

Excellent opportunity with established stock company. State qualifications and salary desired. Replies confidential. N-55, The National Underwriter, 99 John Street, New York 7, New York.

WANTED

Experienced Marine underwriter in our Western Department office. Permanent position and fine opportunity for the man who qualifies. 5 day week. Loyalty Group, 12th floor, 120 S. La Salle Street, Chicago.

WANTED

Casualty or fire policy writer, one familiar with issuance of policies and billing. Large general and local agency located about 50 miles from Chicago. Address M-75, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

INSURANCE EXECUTIVE

Established growing agency has opening for man experienced in all lines. Salary—\$300 per month, with the opportunity to earn one-half interest in agency in three years.

DOUGHERTY-ROLLER
101 Broad Street
Kingsport, Tennessee

WANTED

Experienced man or woman between 30 and 40 years of age to handle underwriting of fire and casualty lines in Rock Island, Ill. State experience, age, starting salary, etc. Replies confidential. Address M-74, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

Young man with 12 years company experience desires field or company position or agency connection in Arizona. Now employed. Excellent qualifications and references. Address M-80, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

WANTED TO BUY

A General Insurance Agency located on West Coast. Give price, location, annual income. Address Box M-76, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

FOR SALE

One of the finest one man local insurance agencies in the West. Prosperous college town. Ranch and mining area. Trout fishing. Hunting. Healthful, mild climate. Continuous since 1923. Exceptionally high grade business. Annual commissions approximately \$12,000. Price \$36,000. Address Box M-77, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

NEWS OF FIELD MEN

Meier Takes Wis.
Field for Security

Security of New Haven group has appointed William R. Meier as state agent for Wisconsin. He will have headquarters at 125 East Wells street, Milwaukee.

Mr. Meier joined the Security group in 1940 and has been state agent in central Illinois and manager at Detroit. George H. Haage becomes Detroit manager to succeed Mr. Meier. Mr. Haage has had wide experience in general insurance lines in the Detroit area.

Welch in Virginia
for North British

T. H. De Graffenreid, long-time special agent of the North British group for the state of Virginia, will retire Aug. 1. Mr. De Graffenreid was appointed Virginia special agent in 1919, and was made state agent in 1939.

Special agent Stanton C. Welch, who has been associated with Mr. De Graffenreid, will assume supervision of the companies' business in Virginia. Mr. Welch joined the group in 1931. After advancing through various positions at the home office, he was sent into the field as inspector. In 1942 he was made special agent in Louisiana. About a year ago he was transferred to Virginia. He will continue headquarters at 520 American building, Richmond 7.

American Adds Three to
Western Field Staff

American has made three additions to its field staff in the western department.

Eugene B. Martineau, who formerly served in the Rockford office, has been appointed special agent. He will work out of the St. Louis service office assisting State Agent Walter C. Yeomans.

John C. Margold, with 14 years insurance experience, including local agency, has been appointed special agent for eastern Missouri, and will make his headquarters at St. Louis.

James D. Brock, with a varied insurance background and training in the western department office, has been made special agent in Michigan. He will assist State Agent Fred H. Pierson, with headquarters at Lansing.

New Hampshire Names
Moher in Nebraska, S. Dak.

Richard W. Moher has been appointed special agent in Nebraska and South Dakota for New Hampshire and Granite State to assist State Agent Clive Heckenlively, with headquarters in the Stuart building, Lincoln.

Mr. Moher joined the company at the home office in 1940 and has had experience in several departments there. He was in the army air corps during the war, returning to the home office in 1945.

Buel Tate to Okla. Post

Buel Tate has been named special agent in Oklahoma for Phoenix of Hartford. He is an experienced man who has been operating in Texas. His headquarters are in the Mercantile building, Oklahoma City.

Huff Succeeding Fortmann

John C. Huff now is special agent at Portland, Ore., of New Zealand and South British, associated with Walter G. Fortmann, veteran northwest field man for the companies. Mr. Huff is becoming acquainted with the territory preparatory to taking over Mr. Fortmann's duties when he retires Oct. 1.

Mr. Huff, who is a marine corps veteran of the last war, joined the San

Francisco office of New Zealand and South British upon discharge and underwent a period of training before being assigned to the Oregon field.

Oregon Pond Elects

New officers of Oregon Blue Goose elected at the annual meeting are: Most loyal gander, Jack C. Neer, Jack Neer Adjusting Co.; custodian, James D. Hurley, Byington, Rychard & Hurley, brokers; guardian, Clarence Walls, adjuster; supervisor, Nate Lakefish, First Securities Corp.; keeper, Robert Burke, special agent Deans & Homer; wielder, Drew P. Lawrence, special agent Great American. The meeting was held at Lake Oswego Country Club with business in the forenoon, golf in the afternoon and banquet in the evening.

The Alamo Blue Goose, San Antonio, heard from Frank Quirk of Quirk & Co., the complaint of the companies as to the need for proper use of loss forms and promptness in reporting losses. About 40 were present.

CHICAGO

NAPIER & CO. STAFF ADDITIONS

The underwriting staff of the R. A. Napier & Co. class 1 agency of Chicago, recently was increased by the addition of four world war veterans. They are Herbert L. McCaskey, casualty underwriter; Frank Stasik, Jr., inland marine, hospitalization and accident and health underwriting; James McVeigh, casualty underwriter, and Jerome Brockhouse, fire endorsement and placing.

Napier & Co. has just taken the general agency of Hoosier Casualty for hospitalization, accident and health, and group and franchise plans.

Mr. McCaskey has been in the service for some time, having been stationed in the European theater and being separated as a second lieutenant. Before the war he was with Standard Accident at Chicago for 10 years as an underwriter. Mr. Stasik previous to war service was in the chain grocery business at Chicago. He entered service in 1941, being with an army anti-aircraft unit in the Philippines and south Pacific, and was discharged last year.

Mr. McVeigh was in the A.A.F. for two years. Previous to war service he was with the Homer Gwinn & Co. agency of Chicago. Mr. Brockhouse, for about two years, was in the navy, stationed in Panama. Previous to war service he was in Nebraska, his home state.

BRAUN AGENCY IN NEW LOCATION

The Braun Agency of Chicago has moved to larger quarters in 431 South Dearborn street. The telephone number is unchanged. Milton M. Braun is president and founder; Paul J. Simmons is a partner and is doing much of the underwriting as well as production work. Mr. Simmons is a former prominent casualty underwriter and manager. The agency held open house Wednesday afternoon. Mr. Braun, a graduate of Kent College of Law, is a former broker and has been in the business 28 years. He started his agency eight years ago.

In addition to handling all general lines of insurance, including A. & H. and hospitalization, it is general agent of Old Line Life of Milwaukee.

UNDERWRITERS GRAIN MOVES

Underwriters Grain Assn. of Chicago has moved into larger space in A-1934 Insurance Exchange.

ASSOCIATED AGENCIES ELECT FOUR

Associated Agencies, Chicago, has elected Bernard W. Roos as vice-president, and Fred H. Richers treasurer. Both have been with the organization for more than 25 years.

Theodore R. Loeb has been elected

secretary and Leon H. Kringel assistant treasurer.

AWARD SCHOLARSHIPS

The James S. Kemper Foundation has awarded three \$2,800 scholarships for fire protection engineering at Illinois Institute of Technology. Fees and tuition are provided for four years. The foundation will assist the men to obtain vacation employment as well as regular employment after completing the curriculum.

Dr. Seth B. Roberts, optometrist in the Insurance Exchange, Chicago, who has catered to the optical wants of insurance men there for a third of a century, died at his home in Wilmette, Ill., after an illness of two years, during most of which he was bedfast. He was 75 and opened the optometry department of Marshall Field & Co., Chicago, in 1901, starting his own business in the Exchange when it opened in 1913, in association with E. S. Goulding.

NEW YORK

NOW MENDES & MOUNT

The title of the law firm of Duncan & Mount of New York, which is U. S. attorney for Lloyds non-marine underwriters has been changed to Mendes & Mount, following the death of O. D. Duncan, senior partner.

Partners in the new firm are Russell T. Mount, William B. Mendes, Thomas J. Healy, Arthur C. Muller, Jr., Henry W. Dieck, Frank A. Bull and Stewart E. Warner.

FIRE CHIEFS RALLY SOON

It is expected that between 2,000 and 3,000 delegates will be present at the annual convention of International Assn. of Fire Chiefs to be held at the Hotel Pennsylvania, New York, Aug. 19-22. There will be a number of fire chiefs from Europe. Fire Chief Blaistell from Honolulu will be on hand. Chief of the London fire brigade will be one of the prominent delegates.

There will be quite a delegation from Chicago in honor of Frank C. McAuliffe, chief of the Chicago Fire Insurance Patrol, who is first vice-president. Manager W. W. Hamilton of the Chi-

NEW PRICE LEVELS
MEAN NEW
INSURABLE VALUES

Revised insurance coverage based on present appraised values prevents expensive over-insurance—hazardous under-insurance. It is the sure, safe, economical way.

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OFFICES IN PRINCIPAL CITIES

Chicago Board; Elmer Reske, manager of the Cook County Inspection Bureau; Fire Commissioner Corrigan of Chicago and Chief Mullaney of Chicago fire department will be present. There will be others from Chicago. There will be 30 delegates from the Pacific Coast.

There will be a boat ride around the harbor Tuesday night. The National Board will sponsor a cocktail party and supper Wednesday, and Thursday night there will be a general fire alarm sent in by the New York fire department and a banquet will follow.

Proceedings of Hemispheric Conference Are Published

WASHINGTON — Proceedings of the first hemispheric insurance conference held in New York in May, 1946, have just been published.

The conference was sponsored by the U. S. Chamber of Commerce and the Inter-American Council of Commerce & Production, and was attended by 72 insurance executives from 15 countries.

The 350-page book is printed in both English and Spanish. Each page of text has a translation on the opposite page in corresponding paragraphs. It contains 42 addresses, papers and technical discussions on fire, casualty, surety, ma-

rine, aviation and life insurance. Also shown are five pages of pictures of those who participated, and a roster of delegates.

Copies may be purchased for \$5 each from the insurance department of the U. S. Chamber of Commerce, Washington 6, D. C.

President Lyle Boosts Adjusters Convention

A new attendance record is expected to be set at the convention of the National Assn. of Independent Insurance Adjusters in Los Angeles Sept. 25-27. C. B. Lyle, Phoenix, president, visited Los Angeles in the interest of the convention, and spent about two weeks at San Francisco to contact companies, and have a vacation in his old home city. He addressed a luncheon meeting of the Automobile General Adjusters Assn. in behalf of the convention.

Among speakers already on the program are Don Sherwood, general adjuster National Board, and Gordon Davis, representing American Mutual Alliance.

Western Names Beatty Assistant Secretary

At the mid-year meeting of the directors of Western Adjustment, Executive General Adjuster Robert M. Beatty was elected assistant secretary of the organization.

Mr. Beatty joined Western in 1932. He was appointed executive general adjuster in 1944 and will retain that title as well. Previous to his present connection with the Cook county department, Mr. Beatty was manager of the Chicago south side office and general adjuster of the Minneapolis branch. He is considered one of the company's foremost adjusters.

The other assistant secretaries are R. V. Cherry, Gale Tilman, R. M. Ryan and H. W. Rutledge.

Alpha H. Kenna, executive manager and educational director of the Kansas Assn. of Insurance Agents, has been named public information officer of the Kansas Reserve Officers Assn. in addition to his duties as chaplain of the association. He served in both world wars as a chaplain.

STOCKS

By H. W. Cornelius, Bacon, Whipple & Co., 135 S. La Salle St., Chicago

July 28, 1947

	Par. Div.	Bid	Asked
Aetna Casualty	3.00	84	86
Aetna Fire	1.80*	45	46 1/2
Aetna Life	1.60*	43	44 1/2
American Alliance	1.00*	20 1/2	22
American Auto	.80	30 1/2	32
American Casualty	.60	10 1/2	11 1/2
American (N. J.)	.70*	19	20
American Surety	2.50	54	56
Baltimore American	.30*	5 1/2	6 1/4
Boston	2.20	61	63
Camden Fire	1.00	21 1/2	23
Continental Casualty	2.00*	47	48 1/2
Fire Association	2.50	46	48 1/2
Firemen's (N. J.)	.50	12 1/2	13 1/2
Franklin Fire	1.00	20	21 1/2
Glens Falls	1.60	43	44 1/2
Globe & Republic	.50	8	9
Great Amer. Fire	1.20*	28	30
Hanover Fire	1.20	26 1/2	28
Hartford Fire	2.50*	108 1/2	111
Home (N. Y.)	1.20	26	27
Ins. of N. A.	3.00*	96 1/2	98 1/2
Maryland Casualty	...	12 1/2	13 1/2
Mass. Bonding	4.00	83 1/2	88
National Casualty	1.25*	27 1/2	29 1/2
National Fire	2.00*	47	48
National Lib.	.30*	5 1/2	6 1/4
National Un. Fire	5.00*	165	175
New Amsterdam Cas.	1.00	26 1/2	28 1/2
New Hampshire	1.00*	46 1/2	48
North River	1.00*	24	25
Ohio Casualty	.80	32	33
Phoenix, Conn.	2.00*	79	81
Preferred Accident	...	4 1/2	5 1/2
Prov. Wash.	1.40*	35	37
St. Paul F. & M.	2.00	70	73
Security, Conn.	1.40	26 1/2	28 1/2
Springfield F. & M.	4.75*	110	113
Standard Accident	1.45	29	31
Travelers	18.00	583	593
U. S. F. & G.	2.00*	45 1/2	47
U. S. Fire	2.00	53	55

*Includes extras.

R. M. Sauter to National Union at St. Louis

National Union Fire has appointed R. M. Sauter as marine special agent. He will have headquarters with State Agent Perkins at 104 North Fourth street, St. Louis, servicing agents in Missouri as well as in Kansas and Oklahoma.

Mr. Sauter has been an insurance man about 14 years, having started with W. A. Alexander & Co. at Chicago. He was with North British & Mercantile five years and then for four years was marine manager of Pearl at Chicago. During the past two years he has been in the marine department of Security with headquarters at Chicago.

New Boston Directory

Copies of the new 1947 Boston Insurance Telephone Directory are being mailed by the National Underwriter Company this week. The 84 page book lists Boston fire, casualty and life offices alphabetically with their phone numbers and is a useful and handy reference. Similar directories are published by the National Underwriter Company for Baltimore, Dallas, Chicago, Detroit, Houston, Philadelphia, Pittsburgh and Washington. Additional copies may be obtained from the Boston office of the National Underwriter Company, 210 Lincoln Street, Liberty 1402, or the

Cincinnati office, 420 East Fourth street, at \$1 per copy.

\$1 Million Tornado Loss Adjusted in Pa. by G.A.B.

NEW YORK—General Adjustment Bureau has closed its catastrophe setup at Sharon, Pa., and estimates insurance losses of about \$1 million from the tornado which hit eastern Ohio and northwestern Pennsylvania in June.

A staff of about 20 including 11 adjusters worked on the losses for six weeks. Western Adjustment set up an office inside the Ohio border to settle losses in its territory. Insurance losses on the Erie, Pa. flood last week were estimated as minor because of the small amount of insurance carried by the companies.

Illinois Mutuals to Meet

The annual convention of the Illinois Assn. of Mutual Insurance Companies will be held at the Jefferson hotel, Peoria, Oct. 16-17. H. L. Kennicott of Belvidere, Ill., is president.

Thomas E. Bourke of the Hardy-Phoenix Agency of Kansas City has been appointed a member of the city board of zoning adjustment. Malcolm Bliss of Ken Duback & Co. is a hold-over member of the board.



"Not enough" - we hear it all too often these days. That's why we continue to urge adequate insurance to protect the property owner.

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Insurance Analysis and
Claim Service

Hartford, Connecticut

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EDITORIAL COMMENT

W. S. Crawford Better Than Ever

You cannot keep a good man down nor frustrate his activities. W. S. Crawford, insurance editor of the New York "Journal of Commerce," is over 80 years of age but he is at his desk every day. The publisher told him a few weeks ago that he should not give so much time to editing copy that came in as that was more or less tedious and that such work should be handed over to his assistants.

Editor Crawford took his advice but being relieved of much office work,

which is considerable, he then began as of yore to visit insurance offices and gather material for what is generally known as "by-line" articles. That is those that he signs.

Therefore the New York "Journal of Commerce" has been carrying many more of Mr. Crawford's personally signed articles, which are decidedly interesting. His mind is keen, his vision unlimited and he still retains his great capacity for assembling interesting insurance material.

Training Plans for Executive Work

More attention and study are being given to what might be called the philosophy of company management than ever before. Not only in the present time, but at other periods, management has been put on trial. Directors are demanding that in the conduct of companies, there be no big chances taken. They intend that their company should always be on a firm financial basis. There should be adequate surplus and reserve put up to meet all obligations of moment. It is found that companies get into difficulty because of management showing lack of good judgment. It fails to discriminate between the right and wrong road. An executive may be too ambitious for volume and he employs various expedients to get what he desires. He thinks his directors will be impressed by volume.

Inasmuch as the right kind of management seems to be now regarded as a necessity, a number of companies are attempting to give far more training to junior executives to school them along correct lines.

In the first place it is acknowledged that an attempt should be made to put on a certain number of young men every year that seem to have qualifications of a superior degree. They might be given aptitude tests at the very start to ascertain their knowledge and mentality. Then there are some executives that assert that there should be a new division put up in every company called the home office training division which has the responsibility of developing men for higher executive posts. The trouble has been that young men get fixed in a certain place and there is no incentive to emerge and look for something higher up. The opportunity is not there. Companies have not given the same attention to home office personnel as they have to agents, for example.

A number of companies are forced to

go outside their own ranks to get executives higher up when they should have developed such men in their own ranks. A number of officials frankly acknowledge that the men that they have developed themselves, as a rule, give far more satisfaction than those brought in from the outside. If more attention, therefore, be given to the proper schooling and training of inside men, the better equipped they will be to take a higher capacity. They should be fitted for office.

There is no greater opportunity than right now for the right kind of young men to start in insurance. The head offices should recognize this and give such men an opportunity. They should be shown what lies ahead. In employing new young men, it may be impossible to tell at the beginning in what department they will be best suited. The first five years, probably, should be given to a general program of work and then the supervisor can discern at that time just what the young man's mental equipment is, what are his qualities, he can decide whether he has the stuff in him or not, and whether he is eager to get ahead and become someone worthwhile.

Some companies are making it a rule now to employ a certain number of new young men every year and out of that number they expect to procure at least one-third who will be able to make the grade. Men whose experience is based on that gotten in a company are better fitted to be promoted to higher positions. They become well acquainted with the company, and its officials. They know what its policy is, what its plans are, what its rules are and therefore all this basic information does not have to be learned in getting into a new company. The home trained young men, as a rule, are better fitted to carry on the work.

In the training process, these young

men learn what are safe, secure and wise methods, what the policy of a company should be in its relationship with other companies and to its policyholders. In the training process of those companies that are giving attention to the work, they experiment with these men in the field doing outside work. In due season, a young man can tell pretty much his own story. That is, it is apparent to his superiors in just what line he is

well fitted for future advancement.

The question of management becomes more important as business grows and becomes more complicated. Far more attention should be given to service to policyholders and furthermore, public relations looms up as a big factor. All these demands must be taken in consideration and those in the training school should understand just what demands face them.

PERSONAL SIDE OF THE BUSINESS

John N. Olinger, controller of the Meeker-Magner Co. agency of Chicago, celebrated his 25th anniversary with that office and was presented a purse by the staff. The management was host to Mr. Olinger at a luncheon at which he was presented an engraved watch.

Hugh H. Earle of Salem, Ore., has been nominated by President Truman for collector of internal revenue for Oregon. He is 68 years old and formerly was insurance commissioner and fire marshal.

Mr. Earle was a general insurance broker in Eugene, Ore., for 16 years prior to becoming commissioner in 1935. He served in the latter office for four years under Governor Martin and a year under Governor Sprague.

J. C. Trahan, mayor of Texas City, Texas, a hero of national prominence as a result of his work during and after the catastrophe there, has resigned to become a candidate for congress. Mr. Trahan is a member of the Rust-Trahan agency of Texas City. For several weeks following the Texas City explosion, Galveston agents voluntarily carried on Trahan's insurance business for him as he devoted full time to relief work.

George A. Kingman, special agent, Home at Los Angeles, has just celebrated his 50th anniversary in the insurance business. He entered the business with a local agency in Riverside in 1897, and subsequently was with Great American four years, Aetna Fire 12 years and Home 17 years.

Joseph F. O'Brien, chief accountant of American Foreign Insurance Assn., has returned to the head office after visiting branches at San Diego, Chili, Bogota, Colombia and Lima, Peru, and calling upon agency representatives at Cali, Colombia.

Howard S. Searle, Crum & Forster state agent, Topeka, senior National Guard officer for Kansas, will be in command at the annual encampment opening Aug. 3 at Fort Riley. He is divisional artillery commander of the 35th division of the Kansas National Guard, which was reactivated early in July. Gen. Searle, a national guard officer since the first war, was called to active duty about a year before Pearl Harbor and saw considerable duty in Europe. Maj. James Casey, manager of the Mitchner agency, Hutchinson, is plans and training officer of the 35th division.

Three fire insurance veterans whose experiences have contained remarkable parallels, and whose paths have crossed

in numerous interesting ways, held a reunion the other day at Lincoln. The trio included D. H. Painter of St. Louis, who had just been retired by St. Paul Fire & Marine; Charles Caldwell, who had just been retired by L. & L. G., and M. C. Rathburn, vice-president of First Trust Co. of Lincoln.

The three started their insurance careers at Lincoln, and all worked for Farmers & Merchants. After a few years Mr. Painter left Nebraska and within a short time all three again became associated as state agents for L. & L. G., Mr. Painter in Colorado and later Missouri, Mr. Caldwell in Nebraska and Mr. Rathburn in Illinois. The combined insurance experience of the three men is 151 years, Mr. Painter's span being 53 years, Mr. Caldwell 51 and Mr. Rathburn 47.

L. E. O'Day, local agent of Aberdeen, Wash., was married to Miss Gladys Phillips of Montesano, who is a member of the Washington bar and has been practicing law for several years.

Roy M. Todd, well known Chicago independent adjuster, has just returned from an extensive business and vacation tour of the east where he visited with numerous company officials. He traveled by automobile and was accompanied by his wife and two sons.

DEATHS

S. B. Gardner, 63, manager of the insurance department of Farmers Loan & Trust Co., Tipton, Ind., died there after a two weeks' illness of heart trouble.

J. A. Allen, 78, veteran Milaca, Minn., local agent, is dead. He had been in the insurance business 40 years.

Frederick S. Aldrich, 77, manager of the loss department of Providence Washington, and with the company for 63 years, died at North Belgrade, Me. He started with the company as an office boy.

Harrison V. Godbold, 75, died suddenly at his home in Richmond, Va. He had been suffering from a heart ailment for several years. For many years he had operated a local agency in Richmond as H. V. Godbold Co. He retired last year, turning the business over to his son, H. V. Godbold, Jr. At the age of 16 he entered insurance as a clerk in the general agency of Haas & Watson at Atlanta. Going later with Ocean Accident of New York he became general agent of that company at Louisville and subsequently was general agent at Charlotte, N. C., for the credit depart-

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ment of London Guarantee, with territory including North Carolina and Virginia. He launched his agency in Richmond in 1912.

Frank E. Valentine, 67, Michigan district manager for the Bruce Dodson interests of Kansas City, died at Detroit.

Dudley L. Webster, 72, president of Automobile Underwriters Corp. in New York City, died of a heart ailment at his home in Maplewood, N. J. He founded the corporation and was its president for more than 20 years. The firm operates as an agency and service office and writes motor vehicle coverage. It is retained by several banks and finance companies.

Walter I. Cox, 56, manager of the St. Paul Insurance Agency and a past president of the Insurance Agents Assn. of St. Paul, died there after an illness of several weeks. He had been in the insurance business 36 years.

William Fergus, Jr., 6-year-old son of the vice-president of the McCormick, Beatty, Lamb & Fergus class 1 agency of Chicago, was killed on his parents' farm at Libertyville, Ill., when he was crushed by a tractor that he and a playmate had managed to get started. The boy was a grandson of Mr. and Mrs. Leander McCormick.

I. E. Sawyer, 73, a local agent in Worcester, Mass., for over 50 years, died there. He was with Tatman & Park agency 55 years and became its owner 20 years ago.

J. C. Ammermuller, 75, New York City broker, died there. He had been in the business 60 years.

Charles W. Hutchinson, 72, retired state agent of the North British group in Wisconsin, dropped dead in front of his home at Menominee, Mich.

Daniel W. Lanouette, 66, president of the Lanouette & Griffin agency at Wallingford, Conn., died after a brief illness.

Wind Cover Goes Begging

Florida local agents continue to report the utmost difficulty in handling orders for windstorm insurance. This is true particularly along the east coast from Palm Beach to Key West. A number of companies have notified their agents that they will accept renewals for wind and extended coverage but will not write any new windstorm lines. This has been a handicap to some agencies because of the large amount of new construction upon which the loan associations demand windstorm coverage.

Pittsburg Board Revived

The local board at Pittsburg, Kan., has been reorganized after an inactive period of several years. A pre-organization meeting had been held the previous week, attended by Alpha H. Kenna, Kansas association manager. W. B. Pritchett served as temporary chairman. It is expected that local boards will be organized at Chanute and Fort Scott during the fall.

Goldberg Camden President

Joseph W. Goldberg, recently was elected president of the Camden (N. J.) Insurance Agents Assn. He is general agent there for Girard Life.

Name Mich. Steering Group

The new executive committee of Michigan Fire Underwriters Assn. has been appointed with E. C. Saulcy, Great

American, as chairman. The committee will hold its first meeting Sept. 15. The other members are W. W. Ayrault, North British; R. L. Jennings, American; R. P. Jensen, Fireman's Fund; J. G. Peterson, Aetna Fire; F. D. Row, Springfield F. & M., and Roy E. Wheeler, Hartford.

Hester to Nelson & Crabbe

Douglas A. Hester, for many years vice-president of Leedy-Glover general agency at Birmingham, Ala., has joined the local agency of Nelson & Crabbe of that city.

Mr. Hester started in the insurance business in 1928 with U. S. F. & G. in the claim department, later becoming special agent. In 1933 he was named special agent for Maryland Casualty.

Frigon Takes New Post

Underwriters Adjusting has named Irvin S. Frigon superintendent of the marine department. Mr. Frigon has been with Western Adjustment as state marine supervisor in Michigan and was formerly with Aetna Fire as an underwriter and marine loss supervisor. He attended DePaul University law school and Northwestern University. He is a qualified yacht surveyor.

Big Loss at Pendleton

Fire destroyed the big Western Milling Co. flour mill, damaged the Umatilla County court house and threatened the southeastern residential section of Pendleton, Ore., with a loss estimated to total at least \$500,000. The outbreak apparently was caused by a dust explosion on the second floor of the mill.

Gulf Opens New Office

LOS ANGELES—Gulf has opened a metropolitan department to serve downtown Los Angeles and has named Norris L. Coleman special agent in charge. He formerly was with Cosgrove & Co., Miller, Kuhrt & Cox and Edward Brown & Sons.

C. W. Roush Heads Agency

C. W. Roush has purchased the interest of the late Loren E. Roush in the Mid-West Company, Topeka general agency. Since his return from service he has been connected with the general agency.

Nevada Agents' Meeting

The annual meeting of the Nevada Assn. of Insurance Agents will be held at Reno Sept. 20. Howard Parish of Reno is president.

West Replaces Herndon at Mont.

Morris J. Herndon, assistant Washington representative of National Assn. of Insurance Agents, will not appear, as previously announced, on the program of the Montana association Aug. 18-19. In his stead, Oscar West, who has charge of the Washington office, will speak.

Quarry Plant Loss \$300,000

COLUMBIA, ILL.—Total damage of between \$300,000 and \$500,000 resulted from a fire which swept through the plant of Columbia Quarry Co. here July 26. The fire started in the switch house when a conveyor belt burst into flames. The loss was fully insured.

Cowart Forms General Agency

H. Moss Cowart, for many years Birmingham, Ala., branch manager of L. E. Rife & Co. general agency, Mobile, has resigned to form his own general agency, H. Moss Cowart & Co., in Birmingham. The agency will represent William Penn Fire.

Mr. Cowart began his insurance career with Southern Surety and later was agency examiner with the Alabama bureau of insurance. He joined Rife & Co. in 1936.



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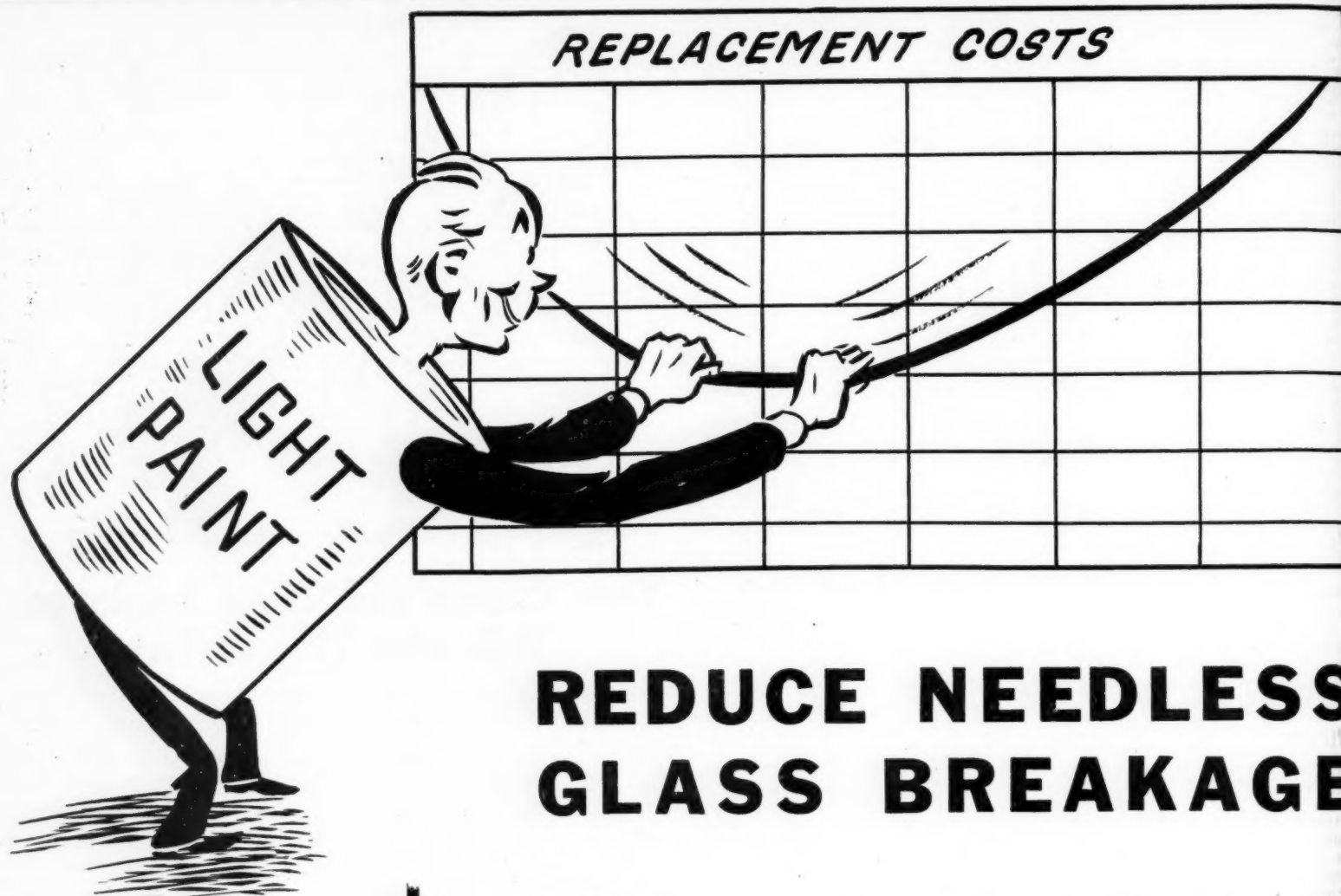


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Assigned Risk Plans Forming in Some States

Dumped Keystone Business Leads to Requests in Several States

NEW YORK—The dumping of \$7 to \$8 million of Keystone Mutual Casualty business on the market has spurred state supervisory officials to ask for the formation of assigned risk plans in states which do not have them and in which there is not a financial responsibility law. Much of the Keystone business consisted of bus, truck and taxi risks which must furnish evidence of insurance to municipal, state or federal governmental units in order to operate.

Formation of assigned risk plan in West Virginia is being completed. The Rhode Island commissioner has asked for an assigned risk pool, which is understood to be in the process of formation. Mississippi wants one.

One Commissioner's Attitude

This development recalls the attitude of one of the state officials several years ago when the assigned risk plan was set up in his state, that the insurance companies should not limit use of the plan to those subject to the financial responsibility law. He argued that this was not legal, since it implied that a risk not eligible for assigned risk treatment might become so by going out and doing those things that would subject him to the financial responsibility act.

While assigned risk pool rules vary from state to state, in general they agree on ineligibility. Risks are ineligible when convicted of two offenses, such as drunken driving, driving without a license, leaving the scene of an accident, etc. Motor vehicle commissioners have here and there argued that the assigned risk plan should take all risks that are licensed to drive. The point here is that if the law requires or substantially requires a risk to have insurance before he operates a motor vehicle, and if the state licenses him to drive, then the insurance business should provide insurance protection or the state will have to. If the state has to, then it should not be saddled with the very worst risks alone, but should have all risks, which means, of course, a compulsory state automobile fund.

Consider N. Y. Revision

There is under consideration a revision of the New York assigned risk plan. The New York operation is generally looked to for leadership, and some of the problems that assigned risk plans now face might be worked out in such a revision. One such problem is the distribution of assigned risks. For example, a company that concentrates its operation and feels that it is equipped to do business pretty exclusively on private passenger cars, is going to rebel when it gets truck or taxi business. This seems to be a legitimate complaint.

However, the companies and the assigned risk pools have done an excellent job in handling the Keystone Mutual business. A lot of the business was accommodated voluntarily, and practically all of the rest of it was at least offered accommodation through assigned risk plans. One trouble has been that some operators refused to pay the going rates plus the assigned risk surcharge, which is manual plus 10% for

Malone Asks Prosecution of Keystone Officials

Prosecution of three officers of the defunct Keystone Mutual Casualty of Pittsburgh was recommended by Commissioner Malone of Pennsylvania, in a letter to the Allegheny county district attorney. Mr. Malone declared that in the examination of Keystone, the Pennsylvania department "found serious discrepancies which, in our opinion were wilful and deliberate on the part of the officers" who signed and swore to the statement. Those officers were A. J. O'Leary, vice-president; N. P. Kann, secretary, and E. J. Kann, treasurer.

At a hearing before the state justice department last month, Mr. Malone and Deputy Attorney General Umsted testified that Keystone reported a surplus at Dec. 31, 1946 of \$1,439,000 when actually there was a deficit of \$1,590,000.

John J. Clancy has been appointed receiver for Keystone Mutual in New Jersey. The chancery court has directed him to furnish a bond for \$50,000 and directed the insurance department to turn over to the receiver money and securities deposited by the company, which had furnished a \$250,000 bond.

The New Jersey department had objected to the appointment of a receiver on the grounds that if funds on deposit with the state created a trust, the department should administer it. The court agreed that those funds should be held for policyholders, but that New Jersey creditors also should have recourse.

CERTIFICATES SUSPENDED

HARRISBURG—The Pennsylvania public utility commission has suspended the certificates of public convenience of 160 bus operators and taxicab firms because of failure to satisfy insurance requirements. All the companies had carried their insurance with Keystone Mutual Casualty.

statutory risks and 15% for private passenger vehicles.

One large assigned risk plan last week was only three days behind on statutory applications and only 10 days behind on all others, which, in view of the mass of business that has been pouring into it, was very good indeed.

W. VA. PROGRAM

CHARLESTON, W. VA.—An assigned risk automobile insurance plan has been set up by the West Virginia insurance department. Although brought to a head largely by the difficulty in obtaining taxicab insurance, the plan also applies to buses, long haul trucks and individuals who cannot obtain insurance required under the financial responsibility law. Risks will be allocated on the basis of 1946 West Virginia premiums.

Following the taking over of Keystone Mutual by the Pennsylvania department, the West Virginia public service commission was compelled to order a number of taxi companies in the state to cease operating as of July 1, because they could not obtain the required insurance.

In the West Virginia setup the rate of commission is 5% on statutory risks and 10% on private passenger cars. The rate for statutory risks is surcharged 10% and that for private passenger cars is surcharged 15%. This is regarded as the standard procedure.

The administration of the plan will be in the hands of G. J. Schepens, New York, who also is the administrative officer for the plans in New York, New Jersey, Pennsylvania and Connecticut. He will also take on the work in connection with the Rhode Island plan which is now being perfected.

Assail Ala. Cash Sickness Bill

A battery of large employers and E. H. O'Connor, managing director of Insurance Economics Society, appeared before a joint senate and house committee hearing in Alabama to oppose the state cash sickness bill that was introduced at the instance of the industrial commission and has the blessing of the administration. Alabama is one of only four states that is still collecting a tax from employees for unemployment compensation and it has \$24 million in the trust fund at Washington which it could draw down if it should enact a cash sickness measure.

The witnesses were arranged for by Frank Samford, who is president of Liberty National Life, in his capacity as president of Alabama Chamber of Commerce. The employers described the group plans that they maintain for their employees and Mr. O'Connor told something of the headaches that have developed under the Rhode Island cash sickness plan. He also emphasized that if Alabama should remove \$24 million from its unemployment compensation fund, it would have only \$32 million left.

Maine Loss to Run More Than \$100,000

Russell G. Spear, president of Depositors Trust Co., Augusta, Me., says a shortage of "upwards of \$100,000" has been revealed by auditors at the Madison branch of the bank.

Official sources, however, expect the final figure to be between \$100,000 and \$200,000.

Clayton D. Weston, 47, member of a prominent Madison family, and manager of the branch since its inception in 1933, committed suicide July 15 in the bank basement while examiners from the state banking department worked overhead.

Spear said the shortages had "definitely" been traced to Weston and as yet investigation had not involved any other bank employees.

The bank was covered by a \$400,000 blanket fidelity bond with Maryland Casualty.

Spear said the audit, now being conducted by the firm of Millett, Fish & Dresser, Portland accountants, had indicated the defalcations began as far back as 1933, the early amounts being in sums of "a few hundreds of dollars."

Five examiners from the state insurance department began what Banking Commissioner Homer Robinson said was a routine check of the bank's accounts at the close of business July 15.

About 7:30 that evening, according to a statement by examiners, they sought Weston, who had been working around the bank with them, to question him about some cards.

Following a search he was found in a coal bin in the bank's basement with a revolver in his hand and a serious bullet wound in his head. He died in the bank two hours later, his condition preventing his being moved. He did not regain consciousness.

CONFESSES EMBEZZLEMENT OF \$107,000 IN OKLA. BANK

A. L. Fash, cashier of First National Bank at Hennessey, Okla., Monday pleaded guilty before a U. S. commissioner at Oklahoma City of embezzling \$107,528 during the 20 years he had been with the bank.

The bond on the Hennessey bank was carried by London & Lancashire Indemnity in penalty of \$10,000. It is understood that the bank, whose deposits had tripled in the last five years, had applied for and secured an additional \$10,000 excess bond in the last three weeks, in another company.

Aid Promised in Cab and Truck Field

Company Men and Agents Confer—Report Progress Made

NEW YORK—At a meeting in the offices of Assn. of Casualty & Surety Companies at which members of a subcommittee of the association met with spokesmen of National Assn. of Insurance Agents, views were exchanged as to the nature and the solution of the problem involved in making insurance coverage available in long-haul trucking, livery and other extra-hazardous risks.

A joint statement, reflecting the sense of the meeting, issued by J. Dewey Dorsett, general manager of the company association, and Guy T. Warfield, Jr., Baltimore, president N.A.I.A., indicated that substantial progress has been made toward a solution of the problem and with some further study of certain features of the joint program now under consideration by the two groups, action may be expected shortly which it is believed will solve any difficulty now confronting the industry and the public.

Public Has Obligation

"We are most conscious of the obligation of the insurance companies and producers to protect the public interest in matters of this kind", the spokesmen said, "but it must also be recognized that the public interest requires that insured must accept their fair share of the load through better vehicle operation and sounder engineering techniques", they added.

"It is incumbent upon us to continue our common effort in the alleviation of problems that exist in our field which are normal developments of rapid growth in certain business operations within our national economy", the statement concluded.

D. C. Rate Bill Is Held Over

The Simpson compromise casualty rating bill for the District of Columbia was held up in the Senate district committee. This was done because of amendments that were submitted by Superintendent Jordan and the belief of the committee that hearings would be necessary, for which there was not time before adjournment of the session.

Memorandum Is Noted

Rep. Gwynne of Iowa, who introduced the all-industry bill in the House, but later endorsed the compromise Simpson bill, inserted in the Congressional Record, a memorandum from Assn. of Casualty & Surety Companies. In the memorandum the association states that the Simpson bill is a rate regulatory measure which all groups can support, and expresses the opinion that it constitutes regulation in the public interest within the meaning of public law 15. The memorandum expresses the belief that this bill properly regulates collaboration in the making of rates, preserves free and fair competition and in view of the improbability of enacting the all-industry bill, the association urges adoption of the Simpson measure.

Recess Time Status of Casualty Bills in Wisconsin Reported

MILWAUKEE—With the recess of the 1947 session of the Wisconsin legislature until Sept. 9, when it will reconvene to act on any possible vetoes before adjourning, a final report on insurance legislation introduced in this session and its progress has been prepared by Irving P. Mehigan, legislative counsel of the Insurance Federation of Wisconsin and representative of the Wssn. of Casualty & Surety Companies and other insurance interests at the legislature.

Mr. Mehigan expects insurance bills that have passed both houses of the legislature at the time the recess was called July 19 to be signed by the governor. The present indications point to no new bills when the legislature reconvenes to act on any vetoes of the governor, but this plan can be changed at that time.

"Those insurance agents of all classes who co-operated with the legislative committee of the Federation this past session," Mr. Mehigan commented, "have done a wonderful job in bringing to the members of the legislature their views and interpretations of the effect of various measures on the citizens of this state."

Some of the more important bills affecting casualty business are listed below with their status:

ASSEMBLY BILLS

10-A This bill which is now chapter 29 requires liability coverage of \$10/50,000 to be carried as a part of new license requirements for hayrack ride proprietors in counties containing first or second class cities, where formerly licensing and insurance was required only in counties of over 500,000 population.

157-A is now chapter 164. This provides that a husband shall have and maintain an action against his wife for recovery of damages sustained by reason of a wrongful act, neglect or default.

230-A was killed. This was the agent's licensing bill championed vigorously by Wisconsin Assn. of Insurance Agents.

202-A has passed both houses. This would enact the commissioners' all-industry proposal relating to personal A. & H. Insurance.

203-A has become chapter 337. This provides that a company licensed to transact casualty may be licensed to transact by reinsurance or retrocession the fire and marine powers and that a fire company may be licensed to similarly transact casualty business. It provides that every stock company shall maintain capital and surplus for each kind of insurance written and, if a mutual, maintain a net surplus, exclusive of surplus notes, for each type insurance written equal to 50% of the capital and surplus required of a stock company.

204-A, which has passed both houses, is the unfair practice bill prepared by the commissioners' committee. The provision corresponding to section 4(b) in the commissioners' draft has been deleted and a provision relating to advertising has been added.

206-A, the casualty rating bill, has passed both houses. This followed the all-industry bill with these exceptions: (1) It permits the commissioner to disapprove the filing of a rating organization within the waiting period without being compelled to hold a hearing, but requires the commissioner to hold a hearing before disapproving within the waiting period a filing of an independent company. (2) In the event the commissioner requires an insured to furnish information upon which to support this filing, the waiting period shall commence, in the case of a filing made by a rating organization, on the date such information is furnished, but such requirement to furnish supporting information will not extend the effective date of the filing made by an independent company. (3) It provides that a member or subscriber of a rating organization may file with the commissioner "a deviation from the rates or any underwriting rule filed by such rating organization." Such filing is subject to usual waiting period provisions. The commissioner can disapprove a deviation filing if it does not meet standards of the act.

200-A is now chapter 365. It provides that any company licensed to transact burglary insurance may also insure against loss of or damage to any property resulting from larceny, robbery, forgery, fraud, confiscation or wrongful conversion, disposal or concealment; and when written in conjunction with burglary insurance may insure against loss or damage to money, securities or valu-

able papers, resulting from any cause except while in the custody of a carrier for hire or in the mail, and personal property of individuals when written under the personal property floater.

376-A is now chapter 339. This redefines group accident and health insurance as applicable to employees of members or employees of employees covered under a master policy issued to a governmental corporation, unit or agency or to a private corporation or association.

381-A, killed by the recess, would have amended the unfair labor practice statute to provide that when an employee has a liability group policy and a lay-off or suspension of work occurs, the employer and the insurance carrier shall continue the policy upon payment by the employee or the union to which he belongs of the required premium.

538-A was killed by the recess. This would have exempted operators and owners of insured vehicles from the requirement of security under the motor vehicle financial responsibility by providing that the term "automobile liability policy" should mean a policy fully covering the operator at the time and place of the accident without restrictions or policy defenses other than non-liability of the operator.

542-A, withdrawn, would have amended the workmen's compensation law by defining disability as incapacity to continue in the employment in which the employee was working at the time of injury.

550-A, withdrawn, would have changed the financial responsibility law which requires security after accidents to make such requirement of security contingent upon commencement of a suit within 90 days after the accident.

572-A, passed by both houses, applies to the licensing of non-resident agents and would provide no policy should be solicited, issued or delivered in the state except through an agent lawfully authorized. The existing provision prohibits such solicitation, issuance or delivery except through an agent who resides in the state.

SENATE BILLS

63-S has passed both houses and will provide that the commissioner be required to cover himself, the deputy commissioner and each employee under an official blanket bond in the sum of \$100,000, or under an official provision schedule bond. This schedule would call for a \$100,000 bond for the commissioner, his deputy and his administrative assistant, and for not less than \$5,000 bond each for actuaries and examiners, deputy fire marshals, manager of state insurance fund and manager of state life fund. It would provide that each employee should be liable for his acts, defaults or misconduct and actions should be prosecuted directly against such employee, and the surety on the official bond. The commissioner would not be responsible for the acts of the employees except under his express direction. The bond would be required to be an authorized corporate surety bond and to be approved by the governor. The commissioner is now required to give a \$100,000 bond with at least six individual sureties or a surety company, and the deputy commissioner such bond as the commissioner may require.

65-S was killed. The bill sought to amend the insurance law by providing that when the perils to be insured include perils in addition to or other than fire and lightning a form known as the multiple perils policy might be used in insuring property in lieu of the standard fire policy.

60-S was killed and would have provided that every insurer file with the commissioner the amount of net premiums by classes and should pay 3% of the net premiums on fire insurance into a fire conflagration reserve fund, 10% of the wind, hail and extended cover premiums into a fund for this coverage and 3% of premiums received from all other types of insurance into a miscellaneous perils catastrophe reserve fund. A miscellaneous perils catastrophe was defined as a loss in the state which exceeded \$1 million.

67-S is now chapter 188 and permits the commissioner in case of persistent and willful violation to revoke or suspend the license of a foreign company, or the license of the agent of any company. It provides that the commissioner is authorized upon written consent of a person or company charged with the violation of insurance laws or an order issued by the commissioner to impose and accept a forfeiture against such person or company in an amount not exceeding \$500 for each violation without a hearing.

68-S is now chapter 75. This provides that all certificates of authority required of agents issued on or after May 1, 1948 and before Nov. 1, 1948 shall expire Nov. 1, 1948. It provides that the fee for

(CONTINUED ON PAGE 14)

Write \$16 Million Bond on Mississippi Lock Work

ST. LOUIS—A bond for \$16,200,000 has been executed by U. S. F. & G. with Aetna Casualty and Fidelity & Casualty as co-insurers, covering the contract awarded to River Construction Co., for the construction of Locks 27 in the Mississippi river.

Contractors interested in River Construction Co. include Spencer, White & Prentiss, Raymond Concrete Pile Co. and Hurner Construction, all of New York; Morrison-Knudsen, Boise, Ida., and Winston Bros., Minneapolis.

Another big performance bond was for \$3,275,000 covering William J. Howard, Inc., Chicago, and running to the East St. Louis, Ill., city council on construction of a new bridge over the Mississippi. Sureties on the bond are Standard Accident, Massachusetts Bonding, Continental Casualty, Fidelity & Casualty, Hartford Accident, Maryland Casualty and Aetna Casualty.

Chattanooga Mayor Asks Aid in Taxi Cover

CHATTANOOGA—One of two remaining local agencies writing insurance on taxicabs has withdrawn from the field and the other is taking only preferred risks, according to Mayor Wasson. According to the mayor this agency is getting from \$400 to \$500 per year per cab and will not consider the application of an owner or driver with a record of driving while drunk, speeding or other serious traffic violations.

A second agency contemplates limited writing with a minimum premium of \$500 annually. Mayor Wasson blames juries granting heavy damages for much of the present critical situation. He is appealing to insurers through local agencies to work out a plan for protecting the public by underwriting taxicab coverage.

Asks Cooperation in N. C.

Commissioner Hodges of North Carolina has sent a letter to casualty companies writing automobile bodily injury and property damage, asking that they cooperate with the new financial responsibility law and assigned risk plan which went into effect July 1.

Mr. Hodges notes that many persons have been unable to obtain insurance because of race or color. He notes that if it develops that all these risks must be handled under the assigned risk plan it will impose a burden on the administrators and result in the assigned risk having to pay a penalty on his premium because of race or color, when from all other standpoints he might be entirely acceptable. Mr. Hodges asks the companies to consider carefully underwriting such risks without prejudices and on the basis of individual merits, and that they indicate the manner in which they propose to meet the situation.

Strike Question Determined

The Compensation Insurance Rating Board of New York has adopted a ruling that wages paid employees who are not on strike but who are unable to perform their normal duties because of a strike shall be assigned to the classification applicable to the work usually performed by such employees, except that, if the employees perform absolutely no work and are not present on their employer's premises the wages shall be assigned to the clerical office employees classification. Penalties imposed on the employer by a union and paid directly to the employees shall be included as payroll for premium computation purposes.

To Write Casualty Only

General of Fort Worth has been licensed in California for casualty lines. It surrendered its temporary certificate to write fire insurance, which was issued to conserve business in force until Houston F. & M., allied with it, received its certificate.

Forum for State Rating Technicians Is Set for Sept. 16-18 at Richmond

Zone 3 commissioners are sponsoring a special forum discussion of rate regulation at Richmond, Sept. 16-18, and final details of the program are expected to be worked out at a meeting at New York next Tuesday by the committee in charge.

The committee has invited rating men from all the departments over the country to attend, and many of them are expected to do so. It is not a strictly zone 3 meeting. The purpose is to present as many phases of the rating problem as possible. Speakers from the insurance industry and insurance departments will participate, and there will be question and answer sessions. By providing a program of this kind for a large group, the educational spade work that must be done can be accomplished more satisfactorily. The meeting is expected to lead to others in other zones, and may lead to subsequent sessions in zone 3 since the whole topic can hardly be fully covered in one setting.

The committee in charge is composed of Larson of Florida, Bowles of Virginia (who is not in zone 3 but who is the host commissioner), Purvis of Louisiana, and James M. Cahill, National Bureau of Casualty & Surety Underwriters, representing the insurance business, which is cooperating wholeheartedly.

January-June Air Deaths Double 1946 Figures

First six-month fatalities for scheduled domestic airline routes more than doubled the total for last year, according to a preliminary civil aeronautics board report.

The report finds that 5.8 passengers died for every 100 million passenger-miles flown. During 1946 the rate was 2.3 deaths. For the full year, however, the totals in 1946 were 1.2. Normally the mileage flown in the second half of any year is much greater than in the first six months.

The report shows that 164 persons were killed in the first six months, including 13 crew men.

Railroad deaths for the first three months totalled 178, including 33 passengers.

Quits Policy Dividends

Manufacturers Casualty has notified producers that it has discontinued the issuance of policies providing for the payment of dividends. However, the company expects to pay the dividends on outstanding policies issued prior to July 3.

Anchor Casualty Change

R. L. Bernard, who has been associate manager of the midwestern department of Anchor Casualty with headquarters at Kansas City, is being transferred to the home office to assume the newly created post of executive state agent.

Minnesota Bank Loss

MINNEAPOLIS — Part of the \$16,889 which Nels Lee, cashier of First State bank of Kensington, Minn., is alleged to have misappropriated, was used to pay insurance companies on policies which the bank sold, according to a statement Lee has made to authorities. He is being held on federal charges.

Heath to Texarkana Agency

Egbert G. Heath has joined the F. W. Offenhauser & Co. agency at Texarkana. After completing an insurance engineering course in New York, he became assistant production engineer for Royal-Liverpool in the south. During the war he was a captain in the air force. Since the first of the year, he had been with the rating division of the Texas fire insurance department.

New Auto Accident Reporting Form

N. Y. Revision, Effective Sept. 1, Should Reduce Trouble

NEW YORK—The New York commissioner of motor vehicles, after consultation with representatives of the insurers, has approved a revised procedure for handling the motor vehicle accident report, form MV-104, and the notice of policy, form SR-21, under the financial responsibility law. The revised procedure is effective Sept. 1.

Previously MV-104 and SR 21 reached the commissioner separately and there was considerable difficulty in getting the two reports matched in his office. One result was an increase in expense of operating the plan, which fell on the companies. Agents have had difficulty with the present plan.

SR 21 now is being discontinued as a separate form and the information in it is included in MV-104. The entire MV-104 will be filled out by the owner or operator of the car involved in the accident.

The body of MV-104 has been revised for ease of completion. Questions relating to insurance have been made as simple as possible so that insured may give the information required without difficulty. They can get the name of their insurance company, if they don't know it, by contacting their agent.

It is contemplated that companies will verify the insurance information either by checking their master index in the home office or by sending the stub to the branch office or agency that issued the policy. As an aid to companies in determining which office issued the policy, the policy number and name and address of the insurance representative that issued the policy is called for in the insurance stub.

The last item on the front of MV-104 is a warning to insured that he must also report the accident to his insurance representative. This is for the benefit of those who obtain MV-104 at police stations or from some source other than an insurance man. On the back of the stub the caption to the effect that the motor vehicle commissioner will return the stub to the insurer for verification will make it clear to the person filling out the form that any misinformation with respect to insurance will be detected. The law has been amended so that the commissioner may take action against the owner or operator who gives erroneous information as to insurance.

Until companies have time to print up a supply of the new forms, the motor vehicle commissioner will make available, free, limited quantities of the form to tide them over. The original must be exactly as prescribed, though the company's duplicate may contain such information as it desires.

There has been considerable interest in financial responsibility states, by agents and company men alike, in these accident insurance reports. Insurance interests would like to see a greater uniformity on this as time goes on.

Wisconsin Governor Gets Bill to Raise Compensation Pay

The Wisconsin legislature has passed a bill raising maximum payments for injured employees under workmen's compensation and the schedules for injuries involving the loss of fingers, hands, and arms. This bill is expected to be signed by Governor Rennebohm. The revisions were worked out by the advisory committee of the State Industrial Commission, representing both labor and management.

The new bill would raise maximum weekly earnings for compensation purposes, both for temporary and permanent disability and death, from the present \$37 to \$40. This would increase maximum weekly compensation bene-

fits from \$25.90 to \$28 in all cases where a maximum wage is earned.

A new schedule of benefit eligibility for finger, hand, and arm losses is given. For example, where a worker has been compensated for the loss of a hand for up to 333 weeks, the new law makes him eligible for 400 weeks.

The new bill proposes a provision for uniform reduction of 2% on the period of indemnity for each year over 50 years of age. This changes the existing provision which is 5% in five year multiples for minor injuries and 2½% for each year over 50 in case of major disability.

The provision of maximum weekly

payments will raise death benefits from \$7,400 to \$8,000 and other accident payments will be raised accordingly.

The changes will affect 50,000 covered employers and more than 800,000 employees. Wisconsin officials estimate that the changes will cost Wisconsin employers and their insurance carriers about \$600,000 a year.

Adjusters Hear Crider

LOS ANGELES—Joe Crider, Jr., attorney, spoke before the Casualty Insurance Adjusters Assn. of Southern California on "What Happened?"

He reviewed the preparation of a

statement to be used in a claim case, telling what it should contain, how it should be worded, and how it should be entered into the settlement negotiations or into court trial, at the same time pointing out what likely would happen if the statement had been improperly prepared.

Report on Neb. Loan Companies

LINCOLN—Small loan companies operating in Nebraska numbered 75 with 43 branches, a report of the state banking department shows. They sold insurance bringing in commissions of \$118,908, chiefly for accident and health.

"Not... Miss Green!"



Yes... Miss Green... trusted employee of long standing... in urgent need of money, "borrowed" a total of \$20,376.40 from company funds.

Fidelity Losses often strike where and when least expected. Under pressure of conditions which call for extra money more employees, daily, yield to temptation.

Central Surety

FIDELITY BONDS

Relieve executive worry over this constant threat of fidelity losses.



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EVEN in a small community, you will find all or most of the nine types of buildings pictured above. Their owners need the protection of boiler and machinery insurance and the inspections which accompany it. The people who have already bought fire insurance or other kinds of policies from you are particularly good prospects. All of these leads can add up to important extra income for you.

You can sell boiler insurance. The Special Agent of Hartford Steam Boiler will be glad to help you with all necessary engineering information and sales aids. It's his job to assist you in soliciting and servicing your accounts.

Why not decide now to write this potential business that's virtually in your own back-yard? Call in your Hartford Steam Boiler Special Agent and get a sales program functioning.



The Hartford Steam Boiler Inspection and Insurance Company

HARTFORD, CONNECTICUT

FOR POWER-PLANT INSURANCE, IT PAYS TO CHOOSE THE LEADER

Status of Wisconsin Legislation Is Surveyed

(CONTINUED FROM PAGE 12)

such certificate shall be 50% of the annual fee for certificate to agents. On or after Nov. 1, any certificate issued to an agent shall be limited to the time the company is authorized to do business in the state, to the time for which the company is paid fees for such certificates and the time the agent is a resident of the state. Annually, prior to Nov. 1, each company shall file with the commissioner an alphabetical list by towns, the names and addresses of agents whose certificates are to remain in effect and pay the fees upon them.

233-S has passed both houses and is a bill changing workmen's compensation benefits and practices as outlined in a story elsewhere in this edition of THE NATIONAL UNDERWRITER.

270-S is now law. It provides that at any time before judgment a defendant may require the return of copy attached upon delivering to the sheriff, a bond executed by sufficient securities in the sum double the value of the property as stated in the affidavit of the plaintiff for delivery.

348-S was passed by both houses, making numerous changes in the financial responsibility law. The bill would amend the subdivision which requires the commissioner to suspend within 60 days after receipt of an accident report, and provides that upon written request of the owner or operator, the commissioner may extend the suspension up to 20 additional days. It would provide that the operator or owner of a parked motor vehicle would not be exempt unless the operator of the other motor vehicle involved admits that such vehicle was legally parked, or other proof of this is filed and that the commissioner should require proof to establish the fact that a motor vehicle was operated without permission. It would authorize the commissioner to apply the security to payment of assignment to the person injured or damaged, and authorize the treasurer to pay out of the security a judgment in behalf of an injured person. It would amend the provision relating to suspension in the event of a judgment to make it applicable only to judgments in excess of \$50. It would allow 10 days instead of 48 hours for the forwarding of a report of accident to the motor vehicle department.

465-S was killed. This would have changed the financial responsibility law to permit the commissioner to exempt from the requirement, a person against whom there is no reasonable expectation of any claim or any further claim.

587-S was killed by the recess. It would have repealed the present anti-compact law applicable to fire insurance only, and enact a law applicable to all lines, prohibiting agreements for the purpose of establishing rates or policy provisions except such agreements as are specifically provided for by statute or filed with and approved by the commissioner.

Limit Comprehensive Issuance

A number of companies are declining to insure older cars under comprehensive coverage. This is due to the fact that glass losses are so numerous on these more ancient vehicles. Some of the companies won't provide such insurance on cars of 1938 vintage or earlier. They will provide the physical damage coverages only on a specified peril basis.

Overassessment Is Determined

WASHINGTON — Overassessment of \$62,233 income tax for 1943 has been determined by internal revenue commissioner in favor of Continental.

United Benefit Fire in Utah

United Benefit Fire has begun operations in Utah. F. Edward Walker is manager for the state. This agency is also manager for United Benefit Life and Mutual Benefit H. & A.

Minot Loss Is \$1 Million

Early estimates of the fire loss at Minot, N. D., July 21, are about \$1 million. The fire started from an explosion in a gasoline bulk station and destroyed two oil stations and tanks, three creameries, a grocery store, cafeteria, grain elevator, and an equipment company. Western Adjustment is handling the loss.

The Pacific Coast department offices of New York Underwriters at San Francisco are being moved to larger ground floor space at 301 California street.

Late Fire News

Merchants Fire of New York declared a regular semi-annual dividend of 50 cents plus 10 cents extra, payable Aug. 15 to stockholders of record Aug. 1. This compares with a semi-annual dividend of 40 cents plus an extra of 15 cents a share paid Feb. 15.

Herbert C. Barrett, Anthony. Kan., agent, and Mrs. Barrett are attending the meeting of Lions International at San Francisco and will spend three or four weeks on the coast.

Mrs. Fern Anderson, St. Paul, immediate past president of the National Assn. of Insurance Women, entertained at a tea Sunday for Miss Helen Stombs of Rock Island, Ill., new national president, and Miss Harriet Johnston, Moline, Ill., national corresponding secretary.

Charles W. Good, Illinois state agent of London & Lancashire, has been on the sick list for about a month and is in a convalescent home at 300 South La Grange road, La Grange, Ill. Mr. Good is 80 years of age and is the dean of Illinois field men.

William J. Laadt, partner in the Cramsie-Laadt & Co. agency of Chicago, is recuperating rapidly from an operation Saturday for removal of the gall bladder.

Edward W. Dart, an account executive with the Schiff, Terhune & Co. brokerage office at New York for the past four years, is taking an extended leave of absence to become publisher of Conjuror's Magazine, a magician's publication. He is past most loyal gander of the New York City Blue Goose.



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Short Form Applications
Simplified Rate Manual



ANCHOR CASUALTY CO.
ST. PAUL 1, MINN.

Cont Hts

Cont writing first six Tutchbr income of \$410 come \$974,800

Asset of \$81, since D includin of \$7,03 crease total.

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Continental Cas. Hits Premium Peak

Continental Casualty made an underwriting profit of \$493,020 during the first six months of 1947, President Roy Tuchbreiter announces. Net investment income was \$891,789. After a provision of \$410,000 for federal and Canadian income taxes the operating profit was \$974,809 for the half year.

Assets were at an all time high figure of \$81,087,595, an increase of \$4,255,007 since Dec. 31. Surplus to policyholders, including a general contingency reserve of \$7,050,000, totaled \$25,862,097, an increase of \$778,750 over the Dec. 31 total.

Net premiums written totaled \$31,352,223, an increase of \$4,779,454. This was the highest volume in any six months period.

Sets 25% of Payroll as Costs of Social Cover

WASHINGTON — Elizabeth Wilson of Cambridge, Mass., associate of Actuarial Society of America, analyzes and criticizes the administration's compulsory health insurance bill, sponsored by half a dozen Senators, which Congress laid on the shelf, in a report issued through U. S. Chamber of Commerce. She discusses eligibility for medical care benefits under the bill, the benefits provided, availability of services, administration, financing and costs of what she calls "the socialized medicine bill — 1947 edition."

Miss Wilson reaches the conclusion that the system proposed would cost 8 to 10% of the covered payroll. Other social insurance costs, she estimates, may reach 15% of payroll, and adds that "to devote 25% of the nation's payroll to social insurance would pose staggering economic problems."

"Socialized medicine involves many dangers," says Miss Wilson, "particularly the medical, the economic, and the political. The claimed advantages are largely illusory."

Adjusters Hear 23 Speakers at General Adjustment School

All phases of casualty losses will be covered by the 23 speakers that have begun instruction at the casualty adjusters' school of General Adjustment Bureau at Dallas. The speakers are members of the legal or claim staffs of insurance companies, general agencies, and large corporations and their topics center around handling of automobile, general liability, burglary and robbery, plate glass, collision, comprehensive, bonds, medical payments and workmen's compensation claims.

The course started July 7 and will continue through Aug. 2. W. J. Rellahan, manager of the casualty division of the southwestern department, is in charge. There are 21 adjusters taking part.

Brewster to Give Talks

William H. Brewster of New York, manager of the automobile division of the National Bureau of Casualty & Surety Underwriters, who is going to Spokane to address the Washington agents' convention, also will visit Seattle where meetings are planned by the Washington Automobile Assigned Risk Plan and bureau company representatives next week.

Settle Tax Freeze Issue

WASHINGTON — Congress finally settled its dispute last week over the social security tax freeze bill. Basis of settlement: 1% old-age and survivors' insurance tax each on employers and employees during 1948 and 1949; 1½% in 1950 and 1951, and 2% thereafter.

Social security, particularly OASI coverage, benefits, formulas and taxes, is scheduled for study and report by the Senate finance committee under a reso-

lution adopted the other day. It authorizes employment of an advisory council to work with the committee. A somewhat similar resolution was adopted by the Senate last year, but the advisory council was never appointed, nor the study made.

New Am. Farmers Warning

TORONTO—Superintendent Whitehead of Ontario has issued a new warning regarding operations of American Farmers of Phoenix, Ariz., which is not licensed in Ontario and cannot be sued here. Convictions have been secured in cases against four individuals

acting on behalf of American Farmers and Mr. Whitehead warns that similar proceedings will be taken against anyone acting on its behalf.

American Farmers has advertised in local newspapers for representatives to solicit members. To become a member an individual must sign an application and pay a substantial membership fee or premium for a certificate which, when it is received, turns out to be an insurance contract.

Raises Theft Rates

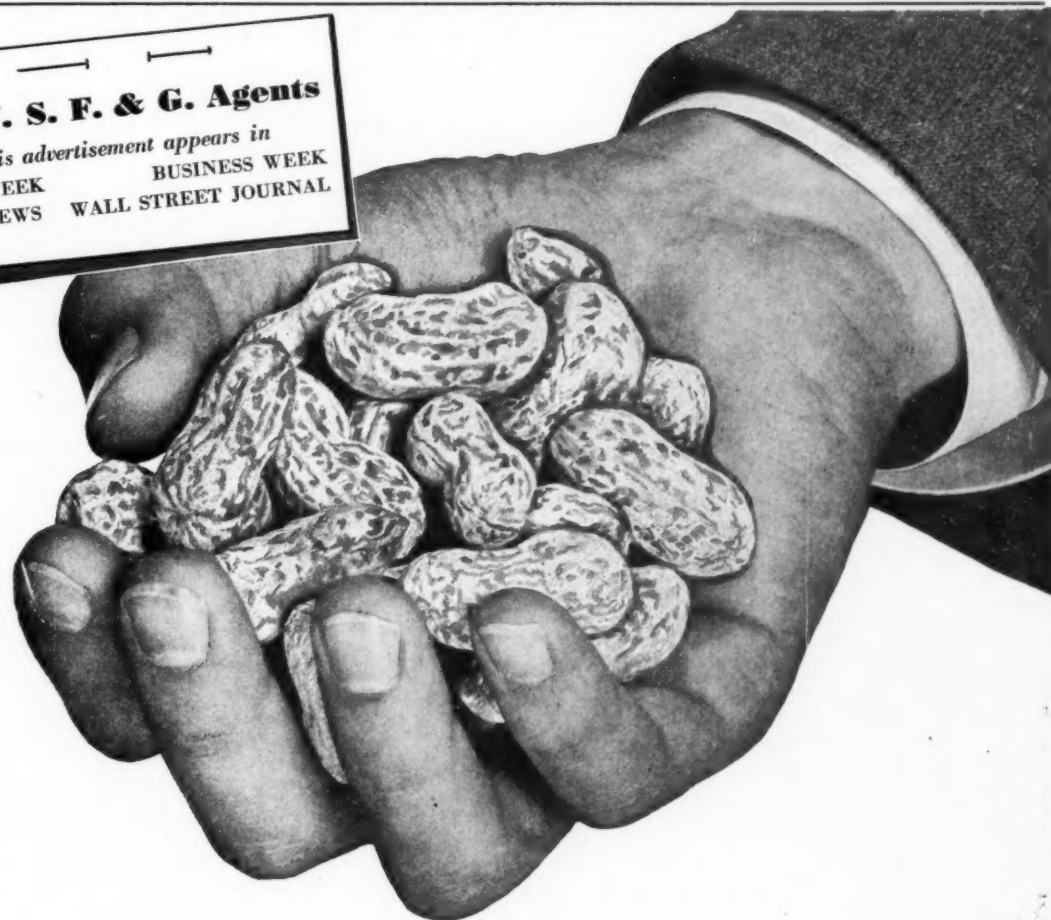
American Casualty announces that it will now collect full manual residence

theft rates on all apartments, flats, hotel rooms and penthouses, stating that the loss experience on these risks is running 25% higher than on private and two family dwellings. Even at manual rates, American Casualty states it will consider rooming houses and hotels undesirable risks.

Texas City Picture

General Adjustment Bureau has arranged to distribute a 25 minute silent picture on the Texas City disaster. This portrays residential and industrial losses resulting from the blast.

For U. S. F. & G. Agents
This advertisement appears in
BUSINESS WEEK
NEWSWEEK
U. S. NEWS WALL STREET JOURNAL



Embezzlement losses aren't "peanuts"!

Embezzlement losses, to use the vigorous idiom of America, "aren't just peanuts." As witness U.S.F. & G. case No. 181333, with losses totaling \$271,777.81. Or No. 4-MF-2, in which a shipping clerk appropriated merchandise worth \$34,000. With prices high and more money in circulation, losses due to employee dishonesty are rising sharply.

Yesterday's Fidelity Bonds may not provide adequate coverage today. Your company may have a sizeable deficit to make up in event of major embezzlement losses. Why not review your bonding program in the light of current conditions? The U.S.F. & G. agent in your community will be glad to analyze your program, without obligation. Consult him today.

"Consult your Insurance Agent or Broker

as you would your Doctor or Lawyer"

U. S. F. & G.



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FIDELITY & GUARANTY INSURANCE CORP., BALTIMORE
FIDELITY INSURANCE CO. OF CANADA, TORONTO

ACCIDENT AND HEALTH

Disability Joint Committee to Meet in Chicago

Encouraged by the many responses received on the questionnaire which it submitted to representatives of all phases of the accident and health industry last month, the disability insurance joint committee has called a meeting for Aug. 10 at the headquarters of the Health & Accident Underwriters Conference in Chicago, when it will begin its study of the results.

Additional questionnaires are arriving daily and the committee members are busily engaged in analyzing the results so that they can be easily reviewed at the meeting. All individuals who received the questionnaire are being urged to submit their information promptly so

that the representation will be as complete as possible.

In addition to this study, the committee will discuss other problems involving the specific coordinated action of the conference and the National Assn. of Accident & Health Underwriters in a program of public relations and legislation.

Members of the committee include G. H. Knight, recently elected president of the National association, chairman; Charles B. Stumpf and E. F. Gregory, representing the National association; Fred Grainger, J. W. Scherr, Jr., and G. A. L'Estrange, representing the conference.

Lay Cornerstone Aug. 1

The cornerstone of the new home

office building of North American Life & Casualty at Minneapolis will be laid Aug. 1. Construction has been progressing steadily since ground was broken last fall. A group of agents who have qualified on a production basis will be special guests at the ceremony.

Monarch Splits Ivey Realm Into Three New Agencies

With the retirement of Walter M. Ivey, general agent for Monarch Life at Pittsburgh since 1916, his broad territory is being divided into three agencies with headquarters at Pittsburgh, Erie and Charleston, W. Va., respectively. At Pittsburgh, Richard Muller, who has been with the Ivey agency for 11 years, will be in charge. Walter M. Given, Jr., also a veteran Ivey agent, will head the Charleston agency. Thomas Sharp, assistant in the agency department of Monarch home office for several years, will take over in Erie.

Mr. Ivey's retirement was signaled by a banquet in Pittsburgh at which R. C. Laub, vice-president and agency manager, was toastmaster and Clyde W. Young, Monarch president, was principal speaker. They both devoted their remarks to the accomplishments of Mr. Ivey. The banquet was attended by 46 agents, their wives and office personnel. Mr. Ivey received a combination clock, barometer and thermometer from the company, and a lounge chair from his agency associates. He plans to retire to his Florida home.

Los Angeles Association Now Fifth in Membership

LOS ANGELES — The Accident & Health Underwriters Assn. of Los Angeles had the largest attendance since organization at its July meeting. President Walter McKee, Connecticut General Life, said that with 110 paid members as of July 1, it held fifth rank among the associations of the country, having risen from 21st place Jan. 1.

William E. Leiby, state manager of Massachusetts Indemnity, gave a short resume of the proceedings of the National association at Boston, and read a short excerpt from the address of Walter G. Gastil of Connecticut General Life, which made such a hit at the national convention.

President Walter E. Mast of the California Assn. of Accident & Health Managers Clubs announced that the state convention will be held here Oct. 24, and gave a brief outline of what is planned.

D. C. MacEwen, superintendent of the accident and sickness department of Occidental Life, talked on the "Growth and Development of the Accident & Health Insurance Business."

Expand Medical Service Plans, Krug Tells Doctors

MADISON, WIS. — Unless physicians and their medical societies take the lead in devising a widespread system of broader medical care such as provided through prepaid insurance plans, "others less capable will provide the solution," Julius Krug, Secretary of the Interior, declared in a guest editorial in the current issue of the Wisconsin "Medical Journal", published by the Medical Society of Wisconsin. Prepaid medical care, he wrote, is the only way to protect large numbers of persons. He pointed out that according to a recent survey of the soft coal industry, coal miners were woefully lacking in good care.

"That survey revealed that the quality of medical service to miners was being jeopardized by excessive demands upon physicians, poor clinical and hospital facilities, and a checkoff system of medical care that tended toward monopoly," Mr. Krug said, urging the substitution of prepaid medical care through medical societies. He urged medical societies to meet the challenge for broader medical care through some sort of prepaid system as the only feasible method of providing adequate medical

service "not only for coal miners, but for all persons throughout the United States."

Wis. Blue Cross Expands

MILWAUKEE — Associated Hospital Service of Wisconsin has taken over the six-story office building at 826 North Plankinton avenue as headquarters for Blue Cross in this state. From a two-man staff representing 13 Milwaukee hospitals in 1939 and a one-room office in 1940, it now represents 108 hospitals in Wisconsin and adjoining Michigan and Minnesota territory.

Blue Cross now has 603,000 subscribers in Wisconsin. In addition, it serves the 104,000 subscribers to the prepaid surgical and medical care plan of the Milwaukee County Medical Society and the 4,000 enrolled under the State Medical Society physicians' service plan.

In September Blue Cross will begin a two-year campaign to enroll new subscribers in small town areas, providing the same hospital service to farmers and other rural residents as is now offered to city residents.

Organize at Little Rock

Representatives of several offices writing accident and health insurance in Little Rock, have completed the preliminary steps in the formation of a local association there.

A called meeting resulted in the election of temporary officers to effect the organization. Sterling R. Cockrill, Cockrill Insurance Agency, representing Continental Casualty, was elected president; I. J. Elrod, American Republic Life, vice-president and Charles C. Campbell, W. M. Apple & Co., secretary-treasurer.

The first group of memberships already has been submitted to the national office but efforts are being made to build up a much larger charter membership before permanent officers are selected. A definite program of activities will begin in the fall.

Tyler Wichita President

The Wichita Assn. of Accident & Health Underwriters held a picnic meeting at the home of Bert A. Hedges, Business Men's Assurance manager and first president, to close the year. A new constitution and by-laws were adopted, patterned after those recommended by the National association. New officers were named: C. Ray Tyler, Commercial Casualty, president, succeeding Virgil McVicker, Washington National; Dale Schaper, Dorth Coombs agency, vice-president, and Margaret Teitzel, B.M.A., secretary-treasurer.

Moeller St. Paul Assistant

Ed Moeller has been appointed assistant manager at St. Paul of North American Life & Casualty. He joined the company's sales staff in January, 1946.

Opens Memphis Branch

Federal Life & Casualty has opened a branch office at Memphis, with R. Q. Mitchell in charge, to cover west Tennessee.

William Pick, local agent, was elected president of the recently organized Elizabethton (Tenn.) Optimist Club.

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in each of the cities listed here, as well as in several other important centers, for the experienced insurance producer who is now ready to build

A THRIVING AGENCY

with our portfolio of Life, Accident, Health and Hospitalization policies... policies that meet today's needs and offer volume possibilities. Our expansion program provides effective development assistance and other highly desirable advantages.

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- ☐ HOUSTON
- ☐ INDIANAPOLIS
- ☐ KNOXVILLE
- ☐ MEMPHIS
- ☐ MINNEAPOLIS
- ☐ NORFOLK
- ☐ READING
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CHANGES

Blindness Causes McKane to Resign Claim Post; Opening Law Office

OKLAHOMA CITY—Stricken with total blindness at the age of 54, Paul F. McKane has terminated more than 25 years' service as manager of the claim department of Maryland Casualty to enter the legal profession. He has enrolled in the Hazel Hurst Foundation for courses in general rehabilitation and public speaking.

Four years ago, it was found necessary to remove an eye and a year ago the other eye was taken out.

Previous to entering insurance he was graduated from University of North Carolina law school but had never been admitted to the bar in Oklahoma.

His many friends here instituted a petition signed by district judges and leaders of the Oklahoma bar and presented it to the state supreme court, which waived the state rule governing application for admission to the bar and three weeks ago administered the oath to him. Upon completion of a refresher course he will open a law office here, specializing in insurance.

Kortum Educational Head for American Surety Group

American Surety group has appointed Louis Kortum as educational director.

Mr. Kortum joined American Surety in 1934 in the claim department. In 1937 he was transferred to the fidelity department where he has been until now. He is a C.P.C.U.

Coert and Lewis Adjusters

Henry J. Coert, Jr., and Richard Lewis have been appointed adjusters in the Chicago branch office of Auto Owners, of which Alan E. Means is claim manager.

Auto Owners just recently moved into the new location which provides considerable additional space. Bert F. Brown is state agent in charge of the office.

Both the new adjusters are Chicagoans. Mr. Coert worked in Detroit for three years with the Inter-Insurance Exchange of the Automobile Club of Michigan, and also for a time was with Lumbermen's Mutual Casualty in claim work. Mr. Lewis is a member of the Illinois bar, having graduated from Chicago Kent College of Law.

Employers Raises Cookson

Employers group has named John W. Cookson assistant resident manager at New Haven.

After graduating from Northeastern University, Mr. Cookson joined the home office agency department of Employers in 1936 and in 1940 was transferred to Connecticut as special agent. Last year he was appointed agency supervisor for Connecticut following two years in the army.

Joins Eagle-Globe-Royal

Albert A. Christian, head of the bonding department in the Los Angeles office of Rathbone, King & Seeley, has resigned to go with Eagle-Globe-Royal Indemnity as head of the bonding department in the Los Angeles office. Before going with Rathbone, King & Seeley he was with Travelers for some years.

H. D. Morris Makes Change

Herbert D. Morris has left Continental Casualty to go with National Automobile & Casualty as claims adjuster at Seattle. Mr. Morris was an independent adjuster at St. Paul and Los Angeles before going to Seattle 10

years ago. He was with Frank Allyn, Inc., independent adjuster, before going with Continental Casualty.

Opens Sacramento Office

Hartford Accident has opened a claim office at Stockton, Calif., under the supervision of N. Deane Moore, former adjuster in New York state and with the company since 1937. Mr. Moore has been in San Francisco for several weeks becoming familiar with California methods and procedures.

COMPANIES

U. S. F. & G. Gains 25%

Net premiums written by U. S. F. & G. for the first six months of 1947 total \$34,898,771 which was an increase of \$6,996,054 over the same period of last year. The percentage increase was about 25.

Shawnee Mutual New Home

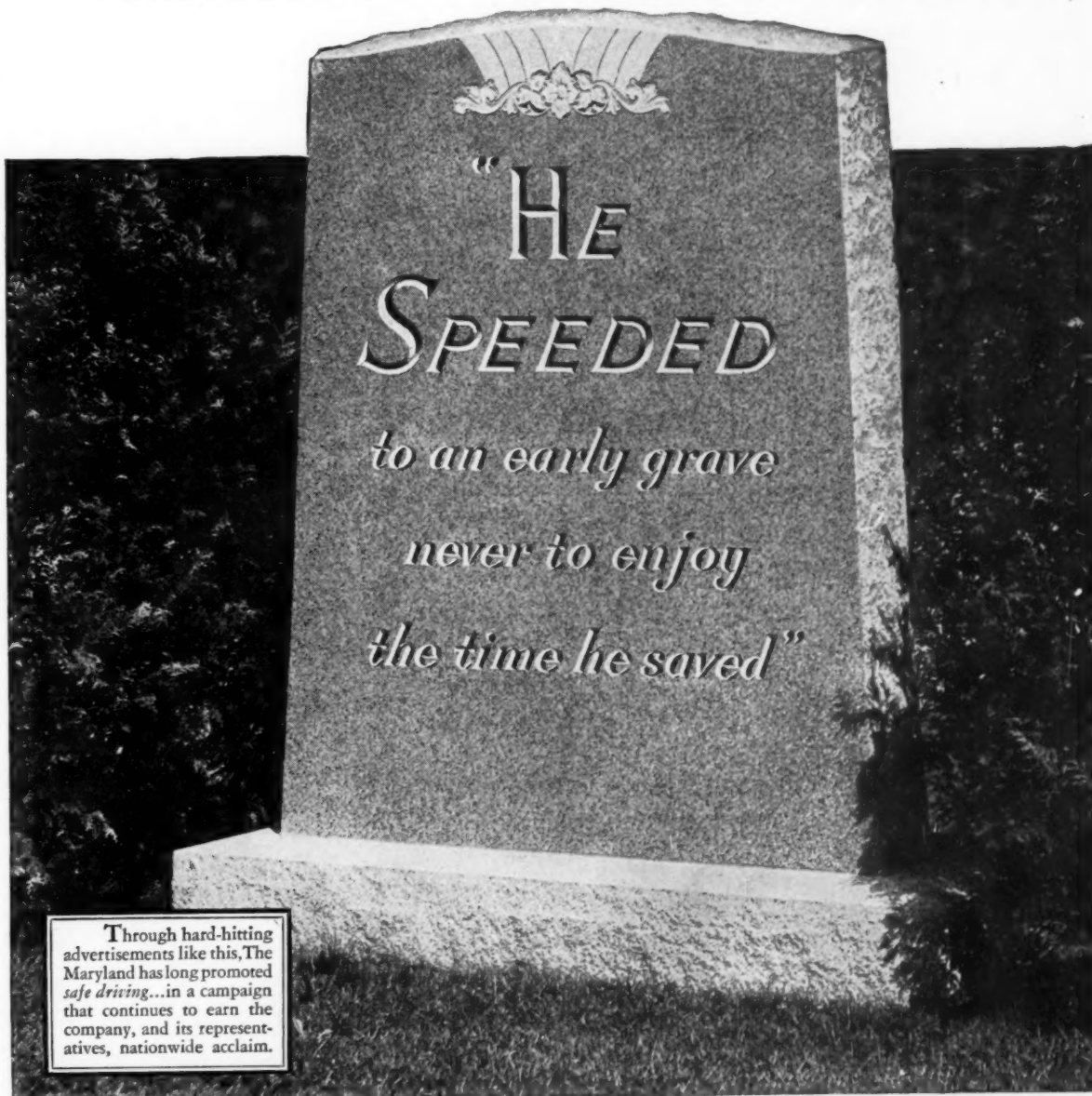
Shawnee Mutual of Columbus, O., has

purchased the property at 700 East Broad street and will use it as its home office. The building recently was remodeled. More than half a dozen insurance companies now have their home offices on East Broad street.

Promote St. Louis Mutual

ST. LOUIS—Legal notice of intention to form Supreme Mutual Casualty of St. Louis has been filed. Directors will include W. F. Hagan, E. G. Missler, W. D. James, Jack Joseph, Bedford

"Unforeseen events . . . need not change and shape the course of man's affairs"



LET THIS grim epitaph to a motorist in a hurry remind you . . .

To take it easy. To slow at crossings. To pass only when you can see what's ahead. To pamper the throttle, not abuse it. To help save some of the 33,500 and more lives that otherwise will be lost this year . . . through motorists' negligence or carelessness.

It's a terrific toll—and one that *you*, when at the wheel, can help lessen. By dedicating yourself to safe driving, by observing caution every mile of the way, you'll be doing your part to help save other people's lives—and *your own!*

The wheel of your car is a wheel of chance . . . handle it with care.

Maryland Casualty Company, Baltimore 3, Md.

THE MARYLAND

MARYLAND ADVERTISEMENTS APPEAR REGULARLY IN LEADING NATIONAL MAGAZINES

Enix, John Costello and Harry Shenker. It will write general casualty lines.

New Utah Reciprocal

Citizens Automobile Inter-Insurance Exchange is the name of a reciprocal that is now operating at 78 South Main street, Salt Lake City. It is preparing to enter Idaho and has made application for entry into other western states.

Lee R. Pearson, the president, and H. C. Papenfuss, secretary-treasurer, were formerly agents for Mutual Benefit Health & Accident and United Benefit Life in Utah and Idaho.

Hugh Barker is vice-president and Earl Stott, office manager.

Illinois Mine, Scene of Explosion, Self-Insured

Old Ben Coal Co., owner of the mine at West Frankfort, Ill., in which an explosion last week killed 27 miners, is self-insurer for workmen's compensation. This is the second case this year in which self-insurance has played a part in coal mine disasters. The mine at Centralia, Ill., where 50 were killed, also was self-insured. American Reinsurance

has the catastrophe excess cover on the West Frankfort mine in limits reportedly of \$1,000,000 excess of \$25,000. American Re also was the excess insurer of the Centralia mine.

PERSONALS

P. M. Conkey, Appleton, Wis., was presented a 50-year service certificate of U. S. F. & G. by George Hoff, Milwaukee manager. The Conkey agency dates back to 1868.

J. W. Gunn, president of Employers Mutual Casualty of Des Moines, has been elected to the board of Hospitalized Veterans Foundation, which will take over the work of the wartime U.S.O. **Melvin A. Krauss** of W. A. Alexander & Co., Chicago, will serve on the executive committee.

W. E. Huggins, chief of claims for Mutual Benefit H. & A., was a visitor at Salt Lake City last week. He attended Utah centennial celebration as guest of F. E. Walker, manager for the company in Utah.

F. Edward Walker, manager of the Walker Agency, Salt Lake City, has been elected commander of Salt Lake American Legion Post No. 2. Mr. Walker saw service in both wars and in the latest war was stationed at San Francisco as navy commander in charge of selective service for northern California.

DEATHS

W. M. Wolff Dies



WILLIAM M. WOLFF

William Martin Wolff, who retired last October as resident vice-president at Milwaukee for Fidelity & Deposit, died suddenly at his home in that city. He was 69.

Mr. Wolff was born at Winona, Minn., his family moving to Milwaukee when he was a year old. His schooling cut short by the panic of 1893, he worked for two years in a law office in Milwaukee, meanwhile studying shorthand and typing in night school. Following his completion of that training he became private secretary to the late Charles Pfister, then owner of the Pfister Hotel in Milwaukee. Three years later he joined a local general insurance agency, within three years rising to office manager.

In 1902 Mr. Wolff took on the agency for the old Illinois Surety. Four years later he became assistant general agent at Milwaukee for F. & D. When the agency was reorganized as a branch office in 1915, Mr. Wolff was retained as its manager. He was appointed resident vice-president in 1928.

Mr. Wolff, died en route to a hospital after being suddenly stricken with

a heart attack at his home. He was preparing to attend a weekly luncheon club meeting when taken ill.

Mr. Wolff was a former president of Wisconsin Insurance Federation and was in charge of four successive annual insurance day programs. He also served as president of Surety Underwriters Assn. of Milwaukee.

Erskine Wyman, 48, Kansas commissioner of compensation insurance, died suddenly at his home in Hutchinson, apparently from a heart attack. He was a graduate of Washburn law school, Topeka.

Robert M. Wilson, 71, who retired about five years ago as vice-president and counsel of American Automobile, died in the locker room of the Norwood Hills Country Club, shortly after he left a golf game because he felt ill.

Guile F. Classon, head of the claim department at Detroit for London Guarantee-Phoenix Indemnity, died at Providence hospital there. He had suffered from a heart ailment for about a year, but had insisted on keeping on the job. His age was 58. He had been with the organization 37 years. He was a past president of Detroit Insurance Adjusters Assn., and was a lawyer.

Texas City Railway Sues Insurers for \$3 Million

Texas City Terminal Railway Co. has filed suit against American Equitable and Colonial under policies aggregating \$2,300,000, with 6% interest, making the entire claim \$3 million, for damage in the waterfront disaster there April 16-17, stating that the insurers had denied liability.

The railway states that the policies covered loss by explosion, although excluding fire resulting from such explosion.

Dowd N. C. Adjuster

Bituminous Casualty has appointed W. Carey Dowd claim adjuster for eastern North Carolina under the supervision of the Charlotte claim office. After graduation from Wake Forest College, Mr. Dowd practiced law in Raleigh, N. C., 1933-1942 and has since been a claim adjuster for U. S. F. & G. He will reside in Raleigh.

Lane Life Department Head

Thomas O'C. Lane has been appointed manager of the life department of the Cramsie-Laadt & Co. agency, Chicago, which is general agent of Northwestern National Life. Mr. Lane attended Colorado College, Lake Forest College, and also took special courses in Henry George School of Social Sciences and Northwestern University. He spent much time in the maritime service and in the war was a gunner's mate 2/c.

W.U.A. Meeting Plans

The semi-annual meeting of Western Underwriters Assn. will be held at Equinox House, Manchester, Vt., Sept. 16-17. The special train from Chicago will leave Sept. 12 arriving at Manchester Sept. 13.

Moe Heads K. C. Office

Aetna Fire has established a marine service office at 1001 Sharp building, Kansas City, under the supervision of Arne B. Moe, superintendent.

It will service western Missouri, Kansas, Nebraska and Iowa. Mr. Moe formerly handled this territory from the western department in Chicago.

He will be associated with State Agent H. E. Johnson, Jr., and Special Agents C. C. O'Neill, Douglas Henson and W. H. Ogren.

Ill. Bills Are Signed

Governor Green of Illinois has now signed the fire and casualty rate regulatory measures that were patterned closely after the all-industry bill.

W. F. Jarvis New Detroit Secretary

The Detroit Assn. of Insurance Agents has appointed Windle F. Jarvis, a Washington, D. C., attorney, as its secretary-manager.

Mr. Jarvis has had a very broad experience in the insurance and public relations fields. For some years he served Maryland Casualty in its Washington office as government service representative and later in Boston as an adjusting attorney. More recently he was the chief of the investigation and field staff of the court of missing heirs, a network radio program.

In the recent war he saw service with the army's counter-intelligence corps as a special agent.

Drop Mass. Bonding Case

The NLRB has dismissed petition for certification of representation filed by United Office & Professional Workers of America, CIO, in the case of Massachusetts Bonding. This action followed a recent election among company office, clerical and salaried employees in which 566 valid votes were cast, of which 185 favored the union and 381 were against it.

Increase Compensation Premiums

Inasmuch as wages have been increased in almost all industries the effect is noted in the workmen's compensation premiums which have now increased materially. It naturally creates a larger base on which to compute premiums. So far there has not been any material increase in hazard or loss ratio.

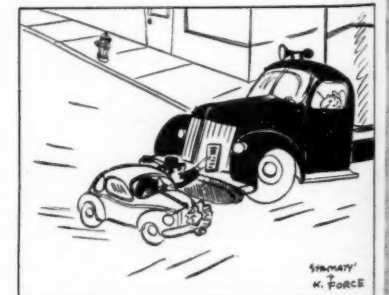
NEWS BRIEFS

Arthur E. Zwilling, a home office examiner for the Home fleet, has been transferred to Columbus in the farm department. He has been at New York for 11 years.

J. C. Lynch, local agent of North Augusta, S. C., has been elected commander of his Legion post.

The Quincy, Ill., board will hold its 25th annual picnic for field men and agents Oct. 1 at the Quincy Country Club.

The Nearing and Huber agencies at Bowling Green, O., have been merged. Members of the firm are Frank E. Huber, Guy M. Nearing and Charles E. Nearing.



"I'VE GOT A \$100,000 LIABILITY POLICY—WHAT HAVE YOU GOT?"

WANTED

Experienced casualty insurance accountant or auditor for position as traveling auditor. Extensive traveling will be required between home office and branch offices and the successful applicant should be experienced in accounting and statistical systems as related to home office and branch office operations. The position offers excellent salary plus a substantial expense account. In reply please state background, salary desired, and the earliest date available for work.

NATIONAL AUTOMOBILE & CASUALTY INSURANCE CO.
724 South Spring Street
Los Angeles 14, Calif.

WANTED

A man with casualty insurance cashier and collection experience for home office location in Los Angeles. The position offered is permanent, carries a substantial starting salary, and offers an excellent opportunity for the future. Administrative experience is essential as the position carries full responsibility for the proper functioning of our collection department. In reply please state previous background, salary desired, and the earliest date available for work.

NATIONAL AUTOMOBILE & CASUALTY INSURANCE COMPANY
724 South Spring Street
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WORKMEN'S COMPENSATION PRODUCER

Excellent opportunity, especially if familiar with retrospective or participating plans. Texas territory only.

TEXAS INDEMNITY INSURANCE CO.
P. O. BOX 1259
Galveston, Texas

FLORIDA OPPORTUNITY

Opening for experienced Adjuster capable of assuming responsibility for casualty claims in the State of Florida. Excellent opportunity for right person. Reply giving age, education, experience and salary expected. Address M-62, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

WANTED EXPERIENCED SAFETY ENGINEER AND MANAGER

Must be capable of handling home office, supervising field men, and conducting proper safety meetings through territory east of Mississippi. All replies treated confidential. Give age, experience, full particulars, salary expected, etc. Interview arranged. Box M-67, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

WANTED

Experienced casualty insurance claims adjusters for Houston Texas office; Dallas, Texas office; and St. Louis, Missouri office. These positions are permanent and offer substantial salaries together with an automobile and expense accounts. In reply please state previous background, salary desired, and the earliest date available for work. NATIONAL AUTOMOBILE & CASUALTY INSURANCE CO., 724 South Spring Street, Los Angeles 14, California.

INSPECTION SERVICE

Inspections made for all General Casualty Lines except boilers. Prompt service can be given requests in Milwaukee, Wis. and near vicinity. For full information, write to WISCONSIN INSPECTION SERVICE, General Delivery, Milwaukee, Wis.

INSURANCE NEWS BY SECTIONS

MIDDLE WESTERN STATES

Minn. Rating Setup Being Completed

ST. PAUL—With a staff of 10 being organized, Commissioner Johnson has set in motion machinery for administering the new rating laws which go into effect Oct. 1. Heading the division will be Armand W. Harris, St. Paul local agent, whose appointment has met favor in all branches of the industry. He is well versed in insurance and is a lawyer with considerable experience in insurance litigation.



A. W. Harris

In 1916 he began the study of law at University of Denver but served in the marines 1917-1919 overseas in the other world war. After discharge he completed his law course at St. Paul College of Law, being graduated and admitted to the Minnesota bar in 1921. He began practice in Minneapolis, specializing in insurance cases.

In 1925 he joined Standard Accident as claims attorney and three years later went into the local agency business. In 1942 he established the Armand Harris agency here which he has expanded by purchase of other agencies.

Son Takes Over Agency

He has been active in insurance organizations and legislation, in civic organizations and is past commander Mark Hamilton post American Legion, Minneapolis. His elder son, James, just returned from military service, will take over the agency business, as under department rules Mr. Harris cannot maintain connection with the insurance business.

Assisting him will be two experienced examiners in the department, Paul Cullen and Charles Stoffel. Mr. Harris probably will handle the surety and casualty end; Mr. Cullen, fire, and Mr. Stoffel, life. They will have office in the department quarters in the state office building.

Commissioner Johnson said he intended to move slowly in administration of the new laws and had no desire to make them tough for anyone in the business. Several hearings probably will be held before any hard and fast rules are set up.

Rothfuss Enters Field as Independent at Decatur

W. J. Rothfuss has resigned as assistant manager of the Cook county department at Chicago of Western Adjustment to operate as an independent adjuster at 124 South Main street, Decatur, Ill. This is Mr. Rothfuss' original home. He was with Western about 18 years, having started at Des Moines. Then he was located seven years at Toledo. After serving two years in the army he was named assistant Cook county manager of Western about two years ago.

He studied law and in his earlier days taught mathematics at Tulane University.

Decatur Loss Is \$170,000

According to the Illinois Inspection Bureau report, the loss on July 9 to the U. S. Manufacturing Corp. raw materials warehouse No. 1 at Decatur involves \$20,000 insurance on building

and \$97,000 on contents. The building was an unsprinkled, single story structure, 50x150 feet, with metal walls and composition surfaced wood roof on metal columns, metal roof trusses, concrete floor and open finish. Contents included wood handles, metal parts in fiber cartons, fiber cartons and bales, and coiled wire wrapped in paper.

Small boys were noted playing near the building, and one of them was seen to light the blaze with a broom. There was some delay in getting fire equipment to the alarm because the location had been improperly described. The inspector reports that ill-fitting doors made the building susceptible to trespass and that congestion of contents made extinguishing difficult. Only one fourth of the building was saved, the rest was entirely destroyed as were the contents except for minor salvage.

Aegerter Supervising Home's Minneapolis Hail Office

MINNEAPOLIS — Martin E. Aegerter of Des Moines has taken over temporary supervision of the hail department of Home at Minneapolis following the death of Walter J. Cassidy. He will continue to supervise Iowa also. He has been in charge there since 1940.

Mr. Cassidy, a veteran hail adjuster and underwriter, died following an operation at the age of 58. He had been in the hail business 25 years and with Home at Minneapolis seven years.

There have been two or three serious hail storms this month in Minnesota and parts of North and South Dakota. In the Detroit Lakes section of Minnesota a storm July 19 caused damage to crops estimated at more than \$100,000. Farmers reported losses ranging from 10 to 75% of their small grain crops.

SOUTH

Fire Packed Cotton Bales Troubling Underwriters

DALLAS—A new insurance problem has developed in Texas in connection with the \$100 deductible clause but it has nothing to do with windstorms or agents' commissions, according to President G. F. Cox of the Dallas Insurance Agents Assn. It is the fire packed bale of cotton. Underwriters in Texas, particularly those handling Rio Grande Valley territory, are concerned over their baled cotton liability in locations other than on gin premises. A company has notified its agents it will not accept any more baled cotton in unsprinkled warehouses and compresses, and other companies are severely restricting their lines, Mr. Cox said.

Effective June 23, a \$100 deductible clause became effective in Texas applicable to "every loss caused by fire to seed cotton, cotton in the process of being ginned, loose cotton, or cotton seed in any building in which the process of ginning or reginning of cotton is done, and to baled cotton that has not been ginned for at least 10 days prior to the loss." The deductible was designed to induce greater care on the part of ginners to prevent the production of fire packed bales, and thereby reduce losses in cotton in process of being ginned and in baled cotton on gin premises.

Move Cotton Quickly

What apparently is happening is that ginners are getting freshly baled cotton off the gin platform and out of gin yards as quickly as possible to escape their own losses, but sometimes they are merely transferring the fire packed bales

to other locations before the fire breaks out—and to locations where the deductible does not apply.

A recent \$250,000 cotton loss at Harlingen, Tex., seems to have resulted from a fire packed bale or bales. Insurance people are putting forth every effort to secure cooperation from policyholders at all storage locations to prevent the taking of fire packed bales on the premises.

Some underwriters feel that owners of storage facilities, whether in the open or under cover, who will not cooperate with the underwriters in this respect are not entitled to coverage for their cotton wholly irrespective of rate or other considerations.

The problem now is confined to the valley where the cotton harvest is in full swing but it may spread north as the cotton harvest season progresses.

La. Prevention Conference Stresses Night Club Hazard

Night clubs on the outskirts of municipalities now present some of the gravest fire hazards in the country, State Fire Marshal Palfrey told the governor's conference on fire prevention and life safety at Baton Rouge, La. He urged adoption of an ordinance to empower sheriffs to enforce safety regulations at public amusement places.

Speakers included Governor Davis, Sam H. Peters, chairman Louisiana Fieldmen's Assn.; Attorney General LeBlanc, G. Allen Kimball, chairman, and F. E. Rainold, secretary Louisiana Insurance Commission; Harry P. Dixey, chief engineer Louisiana Rating & Fire Prevention Bureau; Louis Kihnemann, president Louisiana Firemen's Assn.; C. J. Judson, president Louisiana Hotel Men's Assn.

Five committees were appointed to carry on various phases of the program. Chairmen are Attorney General LeBlanc, laws and law enforcement; Mr. Kimball, fire prevention education; William Bizzell, manager Louisiana Rating & Fire Prevention Bureau, building construction, operation and protection; Mr. Rainold, research; Mr. Kihnemann and Robert Bogan, secretary Louisiana Fire College, fire-fighting services.

Hold Fifth Ala. Short Course

The fifth short course school of the Alabama Assn. of Insurance Agents at the University of Alabama had an average attendance of 71 students.

Luther J. Thomas, Dothan, Ala., was dean of the school. In addition to the insurance men who acted as instructors, Dean Lee Bidgood of the school of commerce and business administration spoke on "Economic Effects of the Peace in Alabama" and Dr. Verner Sims, professor of psychology, on "The Human Risk in Selling." Diplomas were awarded by Jesse C. Hearn of Roanoke, president of the Alabama association.

At a special meeting of insurance women who attended the school, Mrs. Lucille G. Doster, regional director of Region III, discussed changes that have been made in Region III and new clubs that are being organized.

"Progress" at Knoxville

KNOXVILLE, TENN. — Although the city council has not yet received an official report on the rating inspection made for the National Board, Robert A. Young, who made inspection, informed City Manager Morrison that the city "has made some progress in raising its standards in fire fighting facilities" and what has been done is "probably sufficient for a favorable report." The city was given a reprieve on a drop from class 3 to class 4 by the intervention of Commissioner McCormack, but must meet conditions required by the National Board by Oct. 15.

COAST

Cal. Agents Card Many Meetings

Arrangements have been completed for the summer series of regional meetings of the California Assn. of Insurance Agents, the first to be held Aug. 25.

Subjects on the agenda are explanations and discussions of the McBride-Grinsky insurance regulatory act—the new state fire, casualty and surety rating law; the new assigned risk, financial responsibility and multiple line laws and provisional reporting forms, proposed revisions in methods of writing group compensation and a new farm insurance form which has just been approved.

Speakers are C. M. Putnam, president; W. B. Glassick, vice-president, and W. E. Shepperd, secretary-treasurer.

Mr. Putnam speaks at Bakersfield and Tulare Aug. 25, Modesto and Merced Aug. 26, Salinas and Watsonville Aug. 27; Mr. Glassick at Butte County association, Aug. 25, Placer County and Yuba-Sutter Counties association, Aug. 26; Yolo County and Stockton associations Aug. 27; San Jose and San Mateo County Aug. 28, and Southern Alameda County association Aug. 28.

Mr. Shepperd starts his tour in September, speaking to agents of Glendale and San Fernando Valley Sept. 2, Long Beach and Orange County Sept. 3, Santa Monica, Westwood and Beverly Hills agents Sept. 5, Napa County Sept. 10, Sonoma County Sept. 11 and Richmond, Berkeley and Contra Costa associations at a joint meeting in Richmond Sept. 12.

Herndon Speaks in September

Six special meetings have been arranged in selected localities so member agencies and employees may hear Maurice Herndon, assistant Washington representative National Assn. of Insurance Agents, explain activities and importance of that office. The meeting dates are: Oakland Sept. 15, noon, and Sacramento, evening; Fresno Sept. 16, Santa Barbara Sept. 17, Los Angeles Sept. 18, and San Diego Sept. 19.

Cal. Also Approves New Tabulator Stop Form

California now will permit rearrangement of text on page 1 of the statutory policy to align with the standard tabulator stops already established and in use in the majority of the middle western states and in Maine. The amendment applies to arrangement only and not to verbiage, it is explained by F. C. Hoffman, president of Uniform Printing & Supply division of Courier-Citizens Co. which is printing the rearranged policy as approved for use in other coast states and is ready to produce the new-style contract for California.

Daily reports (form No. T. S. D1E) and memorandums of insurance (form No. T. S. M3E) will be required to register with the new-type policy and must be given consideration when ordering new supplies or amending current orders he explains. The T. S. D1E also will register with the new tabulator stop Maine policy.

Firemen Hear Sullivan

The key to fire prevention is education of the public, proper enforcement of fire prevention laws and good engineering in construction, Frank J. Sullivan

van of Butte, assistant manager of the Pacific Fire Rating Bureau, told the state firemen's convention at Helena, Mont.

He discussed the President's conference on fire prevention in Washington, and said fire prevention must be a day-by-day, year-around activity in which

every man, woman and child is participating.

He urged the firemen to encourage installation of automatic sprinkler systems, fire alarms, fire walls, fire doors and stair enclosures in public buildings, thereby shifting some of the weight from the fire fighters.

Cutler Wins Campaign for World Trade Center

SAN FRANCISCO — Leland W. Cutler, vice-president Fidelity & Deposit in San Francisco, whose civic activities have made him an outstanding

citizen of California, and who headed the movement to build Treasure Island in San Francisco Bay for the 1939 exposition, has won another effort after five years hard work, along with other civic-minded business men. This is the "World Trade Center" to be erected at a cost of \$55 million in the section occupied by San Francisco's huge wholesale produce district. Its construction is assured by signing of a bill by Governor Warren to enable its financing and state aid.

Mr. Cutler has been president of the world trade center, conceived during the early months of the war as a need for postwar world trade. It will consist of many buildings, some more than 30 stories in height, and will house all lines of business connected with trade.

Another insurance man, who aided Mr. Cutler in the work is Thomas A. Maloney, broker and legislator. Mr. Maloney is father of John R. Maloney, assistant insurance commissioner in charge of the legal division. The world trade center and the old wholesale produce and commission which it replaces, and which will move to the other side of the downtown area, building a modern class A district, develop a huge insurance premium income. In the new world trade center plans call for special facilities for insurance brokers, and companies if they desire.

Wash. Agents Annual at Spokane Starts Aug. 4

The stage is set for the annual convention of the Washington Assn. of Insurance Agents, which gets under way Aug. 4 at Spokane. T. J. Meenach, Jr., registration chairman, reported advance registrations had passed 200, and a high attendance record is expected as the membership is approaching 500.

The three-day convention will begin with committee meetings the afternoon of Aug. 4, followed by a dinner session of local board presidents and executive committee.

Warfield, Brewster to Speak

General sessions will be held all day Aug. 5, with Guy T. Warfield, Jr., Baltimore, president N.A.I.A., as headliner. All formal talks and papers will be presented Tuesday. Other speakers include Commissioner Sullivan, Special Deputy Williams, Frank C. Beazley, vice-president Phoenix-Connecticut group, San Francisco; John H. Martin, San Francisco, manager Standard Forms Bureau; E. R. Hurd, Jr., St. Louis, advertising manager, American-Associated companies; William H. Brewster, manager automobile division National Bureau of Casualty & Surety Underwriters, New York; George W. Clarke, Seattle insurance attorney, and a panel of three on financial responsibility legislation, which includes J. W. Gowdy, assistant vice-president Northwest Casualty; B. K. Campbell, manager Washington Automobile Assigned Risk Plan; and Irwin Mesher, executive secretary Washington agents' association. No program is scheduled for Tuesday evening.

The annual business meeting for members will be held the morning of Aug. 6, followed by the annual golf tournament at Manito Golf Club. For non-golfers there will be a boat ride on Lake Coeur d'Alene. The convention will wind up with a cocktail party, annual banquet and dance. Except for golf and the boat ride, all events are scheduled for the Davenport hotel.

Crisp Forms Broker Firm

Pacific Brokers, an insurance brokerage firm, has opened offices at Los Angeles and has made application for a surplus lines broker's license. Gregory T. Crisp, formerly vice-president in Boston of American Mutual Liability, is head of the new firm.

The Insurance Women of Washington (D. C.) held their annual summer outing and picnic at the suburban home in Kensington, Md., of the president, Ethel McDonald, Washington manager U. S. Aviation Underwriters.

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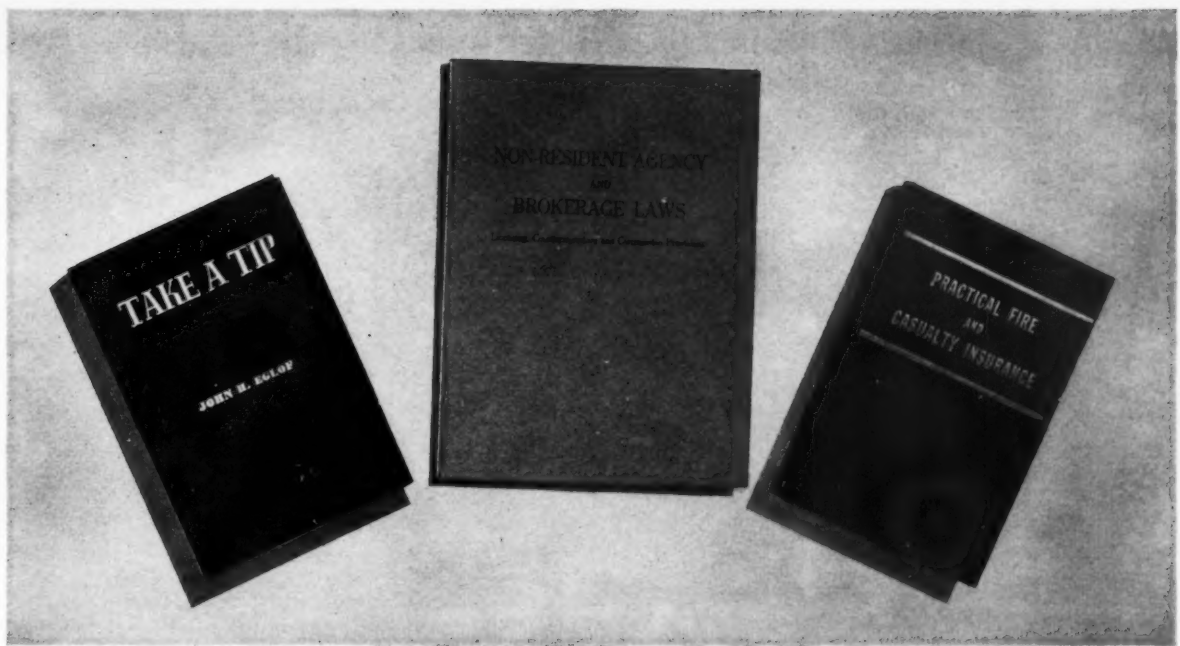
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CABIN IN CAMPUS MARTIUS

HOSTILE INDIANS were still attacking settlers in 1788 when the vanguard of forty-eight members of the Ohio Company arrived at the Muskingum River to establish the first officially sanctioned settlement in the Northwest Territory. Thus the chief concern of these cautious veterans of the Revolution was to build a fortification for the protection of the rest of the group and their families who were to follow at a later date. As their leader, General Rufus Putnam, wrote in his memoirs, "I was fully persuaded that the Indians would not be peaceable very long — hence the propriety of immediately erecting a cover for the Emigrants who were soon expected."

As a fortification, the settlers constructed a stockade in the form of a hollow square, occupying some eight acres, with two-story cabins along the sides and blockhouses at the corners.

General Putnam's own cabin adjoined the southeast blockhouse and consisted of two rooms downstairs and two upstairs. His family joined him there in November, 1790.



The Father of Ohio

The settlers named their new town Marietta in honor of Queen Marie Antoinette; for their fortress they chose the classical name of Campus Martius which was taken from the drill field of ancient Rome.

The superintendent of the colony was General Putnam who had been chief engineer of the army during the Revolution, designer of the fortifications at West Point and moving spirit in the establishment of the Ohio Company. From surviving papers it is evident that he was required to arbitrate all sorts of questions, calling for humor as well as good

judgment. This, for instance, was an order on a store for the relief of a bereaved Indian woman: "Please to Deliver the widow of the murdered Indian Such goods as she shall choose to wipe away her Tears to the amount of Five Dollars."

During the five years of the Indian war the residents of Campus Martius remained safe from attack within their fort. The more daring men ventured out to farm, hunt game and scout for Indians; some lost their lives in such forays but the Marietta people killed very few Indians. In the words of their General Putnam, "Providence



The living room today, furnished in the style of Putnam's period

so ordered that in the course of the War we obtained two Indian Schelps, & believe we killed a third."

After the war Putnam enlarged his cabin in Campus Martius and continued to make his home there until his death in 1824. It stands today in its original form in a wing of the Campus Martius State Memorial Museum in Marietta. Appropriately, the one house to be preserved from the state's early days is that of the man who has been called the Father of Ohio.

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